

SUBJECT: Adding equipment to TxDOT's county road assistance program

COMMITTEE: Transportation — committee substitute recommended

VOTE: 6 ayes — Krusee, Phillips, Casteel, Deshotel, Hamric, Hill
0 nays
3 absent — Callegari, Flores, West

SENATE VOTE: On final passage, May 2 — 31-0, on Local and Uncontested Calendar

WITNESSES: (*On House companion bill, HB 2623 by Phillips:*)
For — None
Against — None
On — Bob Jackson, Amadeo Saenz, Texas Department of Transportation

BACKGROUND: In 1997, the 75th Legislature approved SB 370 by Armbrister, the Texas Department of Transportation (TxDOT) Sunset bill. It added Transportation Code, sec. 201.706, which requires TxDOT to assist counties with materials to repair and maintain county roads. The minimum assistance was set at \$12 million for fiscal 1998 and 1999 and at \$6 million thereafter. By department rule, TxDOT distributes the materials based on an allocation formula that takes into account the amount of wear county roads might experience.

TxDOT also assists counties by selling them surplus equipment through the Texas Building and Procurement Commission (TBPC), for which TBPC collects a purchaser fee. TxDOT sells about \$4.5 million in surplus equipment to counties every fiscal year.

DIGEST: CSSB 1089 would permit TxDOT to assist counties with both equipment and materials for road building and maintenance. TxDOT could not buy materials and equipment directly for counties except through a joint procurement process established by TBPC. The surplus property and salvage provisions of the Government Code, ch. 2175, would not apply to

county assistance.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

CSSB 1089 would add flexibility to the types of assistance counties could receive from TxDOT for road-building and maintenance. Materials are a significant part of most projects, but counties also often lack the equipment needed to complete those projects. Buying surplus equipment from TxDOT is expensive and must be paid for entirely with local funds. The bill would lower that financial hurdle by permitting counties to receive equipment through the assistance program. The loss to general revenue mentioned in the fiscal note would be from the loss of surplus equipment sales revenue by TxDOT, not a direct cost to the state.

There is little need for a limit on the amount of equipment that could be provided to counties through the assistance program. Motor graders, loaders, backhoes, and other common pieces of equipment range from only \$8,000 to \$20,000 each. It is unlikely that such items would account for a significant portion of the program's budget.

**OPPONENTS
SAY:**

CSSB 1089 would propose an expensive way to assist counties. It would cost the state an estimated \$9 million per year due to the loss of surplus equipment sales revenue.

**OTHER
OPPONENTS
SAY:**

The bill should incorporate language from Senate version of the bill that would limit the amount of assistance to be spent on equipment to \$200,000 per year. This would ensure that one county's purchase of a very expensive piece of equipment did not consume the entire budget for county assistance.

NOTES:

The committee substitute removed the \$200,000 per year limit for assistance with equipment that was in the Senate-passed version.

The companion bill, HB 2623 by Phillips, passed the House on May 3 and has been referred to the Senate Transportation and Homeland Security Committee.