Transportation Advocates of Texas, Inc. (TAoT) is a statewide coalition of individuals, businesses, organizations, and elected officials with a common agenda: improve transportation in Texas.

Texas roadways are deteriorating and traffic congestion is increasing. The cost of solving these problems is less than the cost of living with them. Texas must invest in transportation to preserve its economy and quality of life. TAoT has initiated a dialogue on transportation issues facing Texas to inform and motivate citizens to become engaged and express their views.

Join us by visiting our website & becoming a member today!

Membership is FREE!
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Members: 700 & counting!
Legislative Platform for the 82nd Texas Legislature

I. Adequate, Reliable & Sustainable Transportation Funding – The current funding streams for transportation in our state are not sustainable, do not address future population growth, and are insufficient to cover maintenance and reconstruction of the existing system. Recommended legislative solutions:
   a. Phase in a ten cent increase in the motor fuels user fee and increase the vehicle registration fee; constitutionally dedicate 100 percent of the revenue to fund transportation only; once fully phased in, index the motor fuels user fee to inflation.
   b. Reinstate on a limited basis authority for local regions to pursue private investment for projects that cannot otherwise be funded.
   c. Assure integrity and transparency of funding process by TxDOT.

II. Phase Out Diversions of Transportation Funding – More than $20 billion in gasoline tax revenue has been diverted from its intended use over the past two decades. Current diversions total $1.2 billion per biennium. To restore public confidence in our transportation funding system, it is essential that this practice end. Recommended solution:
   a. Phase out diversions by at least twenty percent per biennium as specific budget thresholds or targets are met and constitutionally remove the eligibility of motor fuel tax revenue to be used for policing.

III. Provision of Additional Local Funding Tools and Options – Even with recommended user fee increases and phase out of diversions, Texas will not have enough revenue to fund its identified transportation needs. Providing local governments additional revenue authority to fund transportation investment would help bridge the resource gap. Recommended solutions:
   a. Allow counties to use a mobility improvement fee payable annually upon vehicle registration renewal and a local motor fuels user fee to fund projects specifically approved by their voters.
   b. Expand options for local governments to pursue Transportation Reinvestment Zones (TRZs);
   c. Authorize creation of county toll authorities for all counties in our state;
   d. Capitalize the Texas Rail Relocation & Improvement Fund authorized by voters in 2006 in order to provide a source of funding for rail relocation to improve safety and enhance movement of freight and passengers in our state.

IV. Authorize the issuance of additional Proposition 12 bond funds approved by Texas voters.

These general policy statements should not be construed as an endorsement of any particular legislation.
Accomplishments of the 82nd Legislative Session: The Transportation Advocates of Texas achieved much more than anticipated entering a legislative session with estimates of a $27 billion budget shortfall. The following are a few of the transportation accomplishments:

• **Important Bond Financing:** The remaining $3 billion of bond authority, approved by 63% of voters in 2007, was authorized in the budget. This one-time infusion of bond revenue ensures funding for new projects for at least two more years. So, instead of running out of money for new projects in 2012, there is enough revenue for new projects until at least 2014. This is not a long-term solution. We believe there are better alternatives to borrowing and making decades of interest payments. Faced with the alternatives, it was absolutely necessary this time. Legislators have a chance between now and the 83rd Session in 2013 to identify stable sources of additional revenue for transportation. Legislators are beginning to understand how important it is that we adequately fund transportation. An example is this important exchange between the Chairman of the Senate Transportation and Homeland Security Committee, Tommy Williams, and the Chairman of the Senate Finance Committee, Steve Ogden, on April 4, 2011:

Senator Williams:

“We need to provide TxDOT a robust, predictable, sustainable funding stream for new construction. The current gas tax is inadequate... it is totally consumed for maintenance only. I doubt we can do it this session but it needs to be a priority next session."

Senator Ogden:

“We have a structural problem with the gas tax. It just does not provide
enough revenue to fund our transportation needs. We have three or four proposed constitutional amendments pending in senate finance now that need some work but that can be refined to help begin to address this problem yet this session.”

- **Greater Tools for Local leaders:** Local governments were granted more tools for transportation projects by the passage of HB 563 - transportation reinvestment zones (TRZs). Additional revenue generated from development projects beyond what is generated today can be captured for local projects. TRZ financing will allow local entities to set aside a portion of sales tax growth, or property tax revenue growth, for infrastructure projects in fast growing areas.

- **Additional Public-Private Partnerships:** The TxDOT Sunset Bill allows additional comprehensive development agreements (CDA’s). CDA’s are also commonly referred to as public-private partnerships that allow projects to be built sooner through the availability of private equity. Legislators determined that in a number of specific areas around the state projects need to move forward sooner rather than later to reduce traffic congestion relief in high growth areas.

**The Great Outstanding Issue:**

Texas has yet to identify a stable source of additional revenue that can meet the transportation needs of a rapidly expanding population. Fuel efficiency and hybrid vehicles reduce gas tax revenue -- and the state fuel tax hasn’t changed in 20 years. Whether it is through taxes, fees, tolls or other sources of revenue, further delays in providing additional financing will inevitably result in more traffic congestion. By one estimate we under-fund roads by $8 billion a year. The problem will only get worse. Congestion will get worse. Economic losses will get worse. Rural connectivity will get worse. Road conditions and road safety will get worse. And the cost associated with doing nothing means one day the price tag will be worse.

**Going forward:**

That’s why TAOT will spend the next 24 months strengthening a coalition of business leaders, public officials, transportation organizations and concerned citizens to raise the
visibility of the coming transportation crisis.

TAOT appreciates the leadership of Senator Williams and Senator Ogden. We are grateful for the efforts of Representative Larry Phillips, Representative Joe Pickett and Representative Drew Darby. Thanks also to the many more who toiled to address these issues, and who know this state cannot sustain its economic vitality on the back of crumbling, crowded and under-funded infrastructure.

Follow us on our website, www.texastransportation.org for important developments. Please consider becoming a partner in our effort. As the session concludes, our work only begins.
Revenue Options to Fund Transportation Investment

There are numerous revenue options from which the Texas Legislature could choose in deciding how to fund transportation, depending upon which their constituents are willing to support, including:

- Incrementally moving from the General Revenue Fund to the State Highway Fund or the Texas Mobility Fund the revenue collected from the sales tax on motor vehicles
- Eliminating the state sales tax exemption on motor fuel
- Eliminating the local sales tax exemption on motor fuel
- Increasing the annual state vehicle registration fee
- Authorizing an additional county vehicle registration fee
- Authorizing a state mobility improvement fee (a vehicle registration fee that is applied only to annual renewals, not at the time of vehicle purchase)
- Authorizing a county mobility improvement fee (a vehicle registration fee that is applied only to annual renewals, not at the time of vehicle purchase)
- Increasing the rate of the state tax on motor fuel
- Indexing the tax on motor fuels
- Authorizing counties to levy a county tax on motor fuel subject to voter approval of a ballot listing specific transportation improvement projects
- Incrementally reducing the use of motor fuel tax and vehicle registration fee revenue to fund the Department of Public Safety (stopping diversions)
- Enacting a vehicle miles traveled fee (realistically this option is best enacted by the federal government following satisfactory resolution of related issues)

Related Bills Filed (not passed) in the 82nd Texas Legislature

SB 523 (Nichols) & HB 2527 (Harper-Brown) move revenue from the state sales tax on motor vehicles from the general revenue fund to the state highway fund at the rate of ten percent annually from September 2013 to September 2022, subject to passage of a constitutional amendment (SJR 22). SB referred to Finance February 17, HB referred to Ways & Means March 14, not set for hearing.

SJR 22 (Nichols) proposes a constitutional amendment that would move revenue from the state sales tax on motor vehicles from the general revenue fund to the state highway fund at the rate of ten percent annually from September 2013 to
SJR 23 (Wentworth) proposes a constitutional amendment to raise the tax rate on motor fuels by ten cents per gallon, adjust the rate annually to reflect the change in the consumer price index, and dedicate the revenue derived from the rate increase exclusively to design, maintain and construct roadways. Heard in Finance April 4, left pending, placed on April 7 Finance agenda, no action taken.

HJR 15 (Rodriguez, Eddie) proposes a constitutional amendment increasing the per gallon rate of the tax on gasoline and diesel fuel by two cents annually beginning January 1, 2012 through January 1, 2017, establishing a rate of 30 cents per gallon in years beyond 2017 and empowering the Legislature by general law to increase the rate, and indexing the rate to the CPI beginning September 1, 2020; requires the net revenue from the tax at any rate above the rate January 1, 2011 be used for the sole purpose of designing, constructing, and maintaining public roadways. Referred to Ways & Means, not set for hearing.

SJR 38 (Davis) proposes a constitutional amendment to stop any increase in diversion of monies from the state highway fund and incrementally reduce the diversions over time as monies in the general revenue fund increase from one biennium to the next--very similar to HJR 64. Heard April 4 in Finance, left pending, placed on April 7 Finance agenda, no action taken.

HB 815 (Paxton) amends Section 151.801 of the Tax Code to allocate to the state highway fund proceeds from the tax on the sale, storage or use of new and used motor vehicle tires and new and used motor vehicle parts to fund transportation excluding highway policing; effective September 2013; subject to passage of constitutional amendment (HJR 75). Referred to House Appropriations February 23, not set for hearing.

HJR 75 (Paxton) proposes a constitutional amendment to eliminate highway policing as a permitted use of vehicle registration fee and motor fuel tax revenues and to dedicate exclusively to fund public roadway right-of-way acquisition, maintenance and construction the revenue collected from the tax on new and used motor vehicle tires and new and used motor vehicle parts, effective with the fiscal year that begins on or after September 1, 2015, with some proportional reduction of the “diversion” of these revenues in the fiscal year beginning on or after September 1, 2013. Referred to House Appropriations February 23, not set for hearing.

SB 135 (Wentworth) & HB 1131 (Larson) amends Transportation Code Section 222.001 to remove policing of the state highway system by the Department of Public Safety as a permissible use of state highway fund revenues; effective September 2013; subject to passage of constitutional amendment (SJR 8 / HJR 84). SB heard March 17 in Finance, left pending. HB heard April 6 in Transportation, favorably voted out of committee April 27, died in Calendars.
SJR 8 (Wentworth) & HJR 84 (Larson) propose a constitutional amendment to eliminate policing of highways as an allowable use of vehicle registration fee and motor fuel tax revenues beginning September 2013 if approved by voters November 2011. SJR heard in Finance March 17, left pending. HJR heard in Transportation April 6, left pending, substitute adopted April 18 and voted out of committee (see HJR 64 for content of HJR 84 substitute), died in Calendars.

HB 3518 (Rodriguez, Eddie) also known as the Texas Local Option Transportation Act, authorizes counties to hold an election to seek approval of mobility projects and methods of funding those projects including a county tax on gasoline and diesel fuel and a mobility improvement fee in an amount not less than $1 or more than $60; the county motor fuels tax begins at the per gallon rate of 4 cents, increases 2 cents per year, and caps at 10 cents in the fourth year; requires the initial implementation costs of the system for collection, administration and enforcement of a county motor fuels tax be funded through an interlocal agreement between the Comptroller and one or more local entities. TLOTA takes effect on the date voters approve the constitutional amendment (HJR 131) allowing the expenditure of motor vehicle fuel taxes to construct, maintain, and operate passenger rail, transit, and freight rail. TLOTA expires January 1, 2021. Heard April 13 in Transportation, left pending.

HB 3092 (Rodriquez, Eddie) (aka TLOTA) authorizes counties in the Austin region to hold an election to impose up to seven different revenue options to fund mobility improvement projects; a county tax on motor fuel and a local option mobility improvement fee be imposed only if HJR 131 passes and is approved by voters; HJR 131 proposes a constitutional amendment to allow the expenditure of motor vehicle fuel taxes and vehicle registration fees to construct, maintain, and operate passenger rail, transit, and freight rail. Referred to Transportation, not set for hearing.

HJR 131 (Rodriguez, Eddie) proposes a constitutional amendment to allow the expenditure of motor vehicle fuel taxes, registration fees, and federal reimbursement for those revenues for passenger rail, transit, and freight rail. Referred to Transportation, not set for hearing.