

SAMCo Issues Update - February 23, 2009

SAMCo Members and Partners:

The following are a few issue updates following a most dynamic week in transportation funding. I expect things to heat up even more in the coming days as we move deeper into the legislative session and decisions are reached at the state and local levels regarding economic stimulus.

- 1) Local Option – Last week, Senator John Carona filed the Local Option Transportation Act ([SB 855](#)) to provide urban counties with a menu of taxes and fees to support local transportation projects. I am pleased to report that Bexar and Travis counties have been bracketed into the bill, joining counties from the DFW region. Senator Carona has invited representatives from SAMCo to participate in a stakeholders meeting to review the bill this Tuesday morning in Austin. SAMCo's lobbyist Chris Shields and I continue to represent SAMCo at weekly meetings of supportive organizations each Wednesday, 3:30 p.m. in Austin. On the local front, Senator Wentworth has introduced [SB 942](#), which provides even more options than the Carona bill, and Representative Villarreal is also considering introduction of a local option bill and has been working to build support on the House side.
- 2) VIVA San Antonio – A group of about one dozen Greater Chamber, Hispanic Chamber, and SAMCo members participated in last week's *VIVA San Antonio!* day in Austin. The group visited offices of key senators and representatives on the House and Senate Transportation Committees, as well as members of our local Bexar delegation to discuss local option legislation, indexing, divisions, Proposition 12, rail funding, and related issues outlined in SAMCo's 2009 State Legislative Agenda. SAMCo representatives also participated in an hour-long briefing for Bexar delegation members on local option and economic stimulus.
- 3) Economic Stimulus – At today's MPO Policy Board (1:30 p.m. at the VIA Metro Center, 1021 San Pedro), members will consider various options for San Antonio projects that might be included in the federal stimulus package. Representatives from City, County, VIA, MPO, and TxDOT met several times last week to hammer out an agreement for a leveraged stimulus package that will likely include the direct connectors for US 281 and Loop 1604 (non-toll until such time as they might connect to a future toll project) and perhaps other projects. There are at least three different options with varying numbers of projects and local leverage under discussion, and it would not surprise me if other ideas emerge prior to the meeting.
- 4) Rail Relocation Funding – Senator Carona and Representative McClendon have filed [SB 383](#) and [HB 564](#) (companion bills) to allocate \$200 million in motor vehicle sales taxes to the Rail Relocation & Improvement Fund. SAMCo has joined the Texas Rail Relocation and Improvement Association and will participate in a February 26 stakeholders meeting to discuss strategy to obtain passage of these bills.
- 5) Other Transportation Legislation We Are Tracking: See below.

SAMCO Priority Issues

Proposition 12 enabling legislation (Support)

- SB 263 (Carona) – Authorizes issuance by the Texas Transportation Commission of general obligation bonds for highway improvement projects. \$5 billion in potential new revenue.

Indexing state gasoline tax (Support)

- SB 217 (Carona) – Indexes state gasoline tax to the “Producer price index” for highway and street construction, not to exceed five percent per year.
- SJR 8 (Carona) – Proposes amendment to the Texas Constitution to direct the use of 75 percent of the net proceeds of motor fuels tax revenue to highway maintenance and construction and to direct the Legislature by general law to authorize the Comptroller to automatically adjust the rates of taxes imposed on motor fuels.

Reduce diversions of state gasoline tax revenue (Support)

- SB 216 (Carona) – Clarifies that money in the state highway fund may be used only to improve the state highway system. Removes authorization to fund the Department of Public Safety.
- SJR 9 (Carona) – Provides that three-fourths of net revenue derived from motor fuels shall be used for the sole purpose of constructing and maintaining public highways; one-fourth shall be allocated to the available school fund.
- HB 644 (Zerwas) – Amends the Transportation Code to restrict use of the State Highway Fund to fund the Department of Public Safety and twelve other state agencies.

Capitalize Texas Rail Relocation Fund (Support)

- SB 383 (Carona) – Allocates \$200 million in motor vehicle sales taxes to the Rail Relocation Fund.
- HB 564 (McClendon) – Companion bill to SB 383.

State infrastructure bank to provide gap and startup funding (Support)

- No bills filed to date.

Continued right of first refusal for local toll projects (Support)

- No bills filed to date.

US 281 and Loop 1604 Projects

- SB 220 – (Nichols) – Changes criteria for allowable toll projects.

- HB 13 (Leibowitz) – Changes criteria for allowable toll projects.
- HB 15 (Leibowitz) - Allows only elected officials to participate in MPO votes involving toll projects.

Other Transportation Bills of Interest

HB 11 (Leibowitz) – Repeals authority for establishment and operation of the Trans-Texas Corridor.

HB 12 (Leibowitz) – Establishes Texas Transportation Commission consisting of 15 members to be elected by districts.

HB 14 (Leibowitz) – Relating to application of various contract management laws to the Texas Department of Transportation.

SB 293 (Carona) – Relating to the pledge of certain revenue of a regional transportation authority to the payment of bonds.

SB 404 (Carona) – Extends the Sunset date for comprehensive development agreement authority from August 15, 2009 to August 15, 2015.

SB 505 (Ogden) – Authorizes designation of an area adjacent to a state highway project as a transportation finance zone and requires that revenue from the state sales and use taxes imposed in the zone be used to pay obligations issued in conjunction with the project.

SB 612 (Shapleigh) – Relates to the powers and duties of the Texas Department of Transportation related to rail facilities. Allows department to use surplus toll revenue, line item funding, rail relocation fund, etc. to fund rail projects.

SB 883 (Carona) – Prevents TxDOT from pledging or encumbering dollars in the state highway fund to guarantee loans or ensure bonds issued by public or private entities for toll projects.

SB 898 (Shapleigh) – Allows rail projects to be financed by municipal transportation reinvestment zones.

SJR 18 (Ogden) - Proposes a constitutional amendment authorizing the legislature to permit the Texas Transportation Commission, subject to legislative review and approval, to designate the area adjacent to a state highway project as a transportation finance zone and dedicates the proceeds of the state sales and use taxes imposed in a transportation finance zone to the Texas Mobility Fund for certain purposes.