

BILL ANALYSIS

Senate Research Center
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S.B. 855
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The major urban areas in Texas face tremendous challenges with regard to funding of transportation and mobility infrastructure projects. Billions of dollars are needed to fund new, already identified highway and roadway projects, safety improvement projects, and bridges and mass transit systems such as passenger rail systems. New funding tools are needed to address these challenges, including tools for local government entities, which have transportation infrastructure obligations and responsibilities.

One such tool would be the ability to raise funds through fee assessments or fee increases authorized by voter approval. However, under current law, counties, which would conduct the elections involving such measures, do not have the mechanism to call for a countywide election on the issue of fee increases.

As proposed, S.B. 855 allows local entities to choose from a menu of options for raising transportation funds through fee assessments and increases, all of which would require voter approval. S.B. 855 also creates a mechanism by which counties are authorized to hold elections on such measures.

S.B. 855 additionally sets up an equitable governance structure between cities located in the Dallas-Fort Worth Metroplex that are a part of the Dallas Area Rapid Transit authority (DART) and those that are not a part of DART. S.B. 855 also includes provisions to provide relief for low-income citizens.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 14, Local Government Code, by adding Chapter 446, as follows:

CHAPTER 446. LOCAL OPTIONS FOR TRANSPORTATION PROJECTS

Sec. 446.001. SHORT TITLE. Authorizes that this chapter be cited as the Texas Local Option Transportation Act.

Sec. 446.002. DEFINITIONS. Defines "department" and "metropolitan planning organization."

Sec. 446.003. APPLICABILITY OF CHAPTER. Provides that this chapter applies only to a county that is located in a region served by a metropolitan planning organization that serves two adjacent counties that each have a population of one million or more and for which a regional mobility authority has been created under Chapter 370 (Regional Mobility Authorities), Transportation Code, and in which the principal municipality has a population of more than 600,000.

Sec. 446.004. REDUCTION PROHIBITED. (a) Prohibits a county from being penalized with a reduction in traditional transportation funding because of the imposition of a method of local option funding under this chapter.

(b) Prohibits the Texas Department of Transportation from reducing any allocation of traditional transportation funding to any of its districts because a district contains a county that imposes a method of local option funding under this chapter.

Sec. 446.005. CALLING OF ELECTION. (a) Authorizes the commissioners court of a county by order to call an election on the issue of authorizing one or more methods under Section 446.008 for one or more mobility or transportation improvement projects located in the county, including passenger rail, transit, roadway, and freight rail projects.

(b) Requires the commissioners court to call an election on the issue described by Subsection (a) on receipt of a resolution requesting that the election be called adopted by the governing bodies of at least two municipalities that have certain geographical and demographic specifications, or a petition requesting that the election be called signed by a number of registered voters of the county equal to at least 10 percent of the total number of votes cast in the county for all candidates for governor in the most recent gubernatorial general election.

(c) Authorizes the commissioners court to adopt an order under this section only after holding a public hearing on the issue.

Sec. 446.006. ELECTION AND BALLOT LANGUAGE. (a) Requires that an order under Section 446.005 calling an election is required to:

(1) specify each proposed method authorized by this chapter that the county intends to use to fund a mobility or transportation improvement project;

(2) for each stipulated method, list the proposed rate or amount of the method to be used to fund capital construction of a mobility or transportation improvement project and, if applicable, a separate and corresponding proposed rate or amount for maintenance and operation of the project;

(3) list and generally describe the proposed mobility or transportation improvement project to be constructed with each specified method;

(4) list the estimated cost of and complete date for the capital construction of each proposed mobility or transportation improvement project;

(5) if more than one mobility or transportation improvement project is proposed, specify the sequence and order in which the projects will be initiated and completed; and

(6) list the date on which the proposed rate or amount for the capital construction of a mobility or transportation improvement project is expected to expire.

(b) Requires that the ballot at an election held under this section be printed to permit voting for or against the proposition and sets forth required language on the ballot.

(c) Provides that Section 334.025 (False and Misleading Campaign Material), applies to an election called under Section 446.005.

(d) Requires that an election called under Section 446.005 be held on a uniform election date in May or November or on a general primary election date in March.

(e) Prohibits the commissioners court of a county, notwithstanding Section 446.005, from calling an election under that section within 12 months of an election previously called under that section.

Sec. 446.007. PROJECT SELECTION; POLITICAL SUBDIVISION EQUITY. (a) Requires the commissioners court of a county, except as provided by Subsection (b), to determine each mobility or transportation improvement project be funded by a method authorized by this chapter.

(b) Authorizes the commissioners court to fund a mobility or transportation improvement project under this chapter only if the project is determined to be necessary and appropriate by the metropolitan planning organization for the region in which the county is located. Requires that the commissioners court use best efforts to ensure that each project selected for inclusion on a ballot benefits contributing political subdivisions in approximate proportion to the amount of revenue collected from each method of local option funding in the political subdivision.

Sec. 446.008. METHOD OF FUNDING. (a) Authorizes a proposition placed on a ballot under Section 446.006 to include any combination of certain methods of funding.

(b) Provides that Chapter 395 (Financing Capital Improvements Required by New Development in Municipalities, Counties, and Certain Other Local Governments), does not apply to a fee imposed under Subsection (a).

(c) Requires that the local option mobility improvement fee authorized by Subsection (a)(2) be imposed on each person registering a motor vehicle in the county other than a person who initially registers a vehicle after acquiring the vehicle.

(d) Requires that the new resident roadway impact fee authorized by Subsection (a)(6) be imposed on each person registering a motor vehicle previously registered in another state or country and be collected at the time of registration.

Sec. 446.009. IMPOSITION OF METHOD OF LOCAL OPTION FUNDING; LOW-INCOME RELIEF. (a) Requires that if a majority of the votes cast in an election held under this chapter approve any method or combination of methods of local option funding under this chapter, the commissioners court of the county by order impose and begin the collection of the approved method or methods of funding before the 91st day after the election date.

(b) Requires that the order imposing the method or methods of local option funding, at a minimum, specify the rate or amount of the method or methods approved at the election and the manner in which each method will be administered, collected, and enforced.

(c) Prohibits a county from imposing a method of local option funding after bonds or other obligations are paid in full.

(d) Provides that Section 502.108 (Use of Registration Fees Retained by County), Transportation Code, does not apply to money collected under this chapter.

(e) Authorizes the commissioners court, for any method authorized by this chapter and after conducting a public hearing, by order to establish an exemption, waiver, or partial reduction for individuals of low or moderate income who demonstrate significant financial hardship.

(f) Authorizes a county to impose and collect a method approved at an election held under this chapter and to enter into a contract or interlocal agreement to implement the imposition or collection.

Sec. 446.010. LOCAL OPTION TRANSPORTATION FUND. (a) Requires a county in which a method of local option funding authorized by this chapter is imposed by order to establish a local option transportation fund.

(b) Requires the county to deposit in the fund the proceeds of any method imposed by the county under this chapter and any other money required by law to be deposited in the fund.

(c) Requires the county to establish a separate account in the fund for each method imposed for a mobility or transportation improvement project and, if applicable, a separate account for money to be used to fund maintenance and operations of the project.

(d) Provides that money in the fund is the property of the county depositing the money and authorizes that the money be spent only on mobility or transportation improvement projects located in the county, except that the commissioners court of a county by order may authorize money to be spent on a project located outside the county, including a project located on or that serves an airport, if the court determines that the project benefits the region and selects the project under Section 446.007.

Sec. 446.011. USE OF MONEY IN FUND. (a) Authorizes a county to use money in the local option transportation fund to:

(1) reimburse or pay the costs of planning, acquiring, establishing, developing, constructing, or renovating a mobility or transportation improvement project for which a method of local option funding was imposed under this chapter;

(2) pay the principal of, interest on, or other costs relating to bonds or other obligations issued by the county or to refund bonds, notes, or other obligations issued by a transit or transportation authority created or operating under Chapter 451 (Metropolitan Rapid Transit Authorities), 452 (Regional Transportation Authorities), or 460 (Coordinated County Transportation Authorities), Transportation Code, for a mobility or transportation improvement project for which a method of local option funding was imposed under this chapter;

(3) refund the costs of operating or maintaining a mobility or transportation improvement project for which a method of local option funding was imposed under this chapter operated by a transit or transportation authority created or operating under Chapter 451, 452, or 460, Transportation Code; or

(4) enter into a contract or an interlocal agreement with a person, including a transportation authority or transportation provider, to provide certain mobility services for a project for which a method was imposed under this chapter and implement certain transportation projects.

(b) Requires that the bonds or other obligations and the proceedings authorizing the bonds or other obligations be submitted to the attorney general for review and approval as required by Chapter 1202 (Examination and Registration of Public Securities), Government Code.

(c) Requires that the bonds or other obligations be payable from and secured by the money in the local option transportation fund.

(d) Authorizes the bonds or other obligations to mature serially or otherwise not more than 30 years from the date of issuance.

(e) Provides that the bonds or other obligations are not a debt of and do not create a claim for payment against the revenue or property of the county other than the revenue sources pledged in connection with a mobility or transportation improvement project for which the bonds are issued.

Sec. 466.012. TRANSIT OR TRANSPORTATION AUTHORITY SERVICES NOT AUTHORIZED. (a) Prohibits a county, acting under this chapter, from directly operating or providing passenger rail services or any service expressly reserved by a transit or transportation authority created or operating under Chapter 451, 452, or 460, Transportation Code, that serves the county.

(b) Provides that this chapter does not authorize the creation of a transit or transportation authority.

Sec. 466.013. ANNUAL RATE CHANGE ACCORDING TO PRODUCER PRICE INDEX. (a) Defines "producer price index" and "producer price index percentage change."

(b) Provides that on October 1 of each year, the rate of the tax imposed under Section 466.008(a)(1) (relating to a county tax on the sale of motor vehicle fuel, at a rate not to exceed 10 cents per gallon) is increased or decreased by an amount that is equal to the producer price index percentage change for the preceding fiscal year multiplied by the rate of the tax on August 1 of that year.

SECTION 2. Amends Section 502.003(a), Transportation Code, to prohibit a political subdivision of this state, except as provided by Subsection (b) (relating to the authority of a municipality over the use of motor vehicles and imposing certain fees) and by Chapter 446, Local Government Code, from requiring an owner of a motor vehicle to register the vehicle, pay a motor vehicle registration fee, or pay an occupation tax or license fee in connection with a motor vehicle.

SECTION 3. Effective date: January 1, 2010.