

## **BILL ANALYSIS**

H.B. 1485  
By: Lavender  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Several decades ago, the federal government imposed a small excise tax on gasoline. Interested parties note that some years later the federal Highway Trust Fund was created for the purpose of constructing an interstate highway system with the revenue from the gas tax deposited into the fund. Federal gas tax revenues account for a large percentage of the funding for the Highway Trust Fund and a significant portion of the funding for mass transit programs.

Observers have noted that, under current formulas for distributing funding from the federal-aid highway program, Texas receives only a small proportion of that money. It has been reported that neither Texas nor any other state was considered a donor state from 2005-2009 and that the amount of money Texas received from the program was on the lower end in comparison to what other states have received. It also has been noted that Texas receives a smaller percentage proportionally because the formulas are not based on revenues received per state. Some revisions to the formulas were made in recent federal legislation to close such gaps, but those laws are set to expire soon. Interested parties assert that federal distributions of gas tax revenue is uncertain because of the variables on which the funding is based and that Texas is in need of certainty in transportation funding.

Federal law allows a state to opt-out of the federal-aid highway program and to instead elect to receive federal highway funding based on taxes appropriated to the Highway Trust Fund from Texas. Interested parties assert that, due to its size and population, Texas could receive significantly more money if the state opted out of the program and received a return on federal gas taxes collected within Texas and that Texas' election to receive gas tax receipts should not impact the state's ability to receive additional state highway aid.

H.B. 1485 seeks to address the problem of the disproportionate funding Texas receives from the federal-aid highway program.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1485 amends the Transportation Code to require the governor, to the extent permitted by federal law, to waive the state's right to receive money allocated under the federal-aid highway program and instead elect to receive the portion of the taxes appropriated to the Highway Trust Fund under the federal Internal Revenue Code of 1986 that is attributable to highway users in Texas, as calculated by federal law permitting the waiver and election. The bill requires such a waiver to comply with all applicable federal requirements associated with the waiver.

H.B. 1485 requires the comptroller of public accounts to conduct a study of how Texas might benefit from withdrawing from the federal-aid highway program. The bill requires the study to

identify and analyze methods by which Texas can withdraw from the federal-aid highway program, including methods that are not dependent on approval of the federal government and the costs and benefits associated with each method. The bill requires the comptroller, not later than January 1, 2015, to submit to the legislature and the presiding officers of the standing committees of the senate and the house of representatives that have jurisdiction over issues related to transportation a report containing a summary of the study.

**EFFECTIVE DATE**

September 1, 2013.