

## **BILL ANALYSIS**

C.S.H.B. 1878  
By: McClendon  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In 2005, Texas voters approved the creation of the Texas rail relocation and improvement fund, which is administered by the Texas Transportation Commission through the Texas Department of Transportation (TxDOT) and is intended to provide a dedicated method of financing for the relocation and improvement of privately and publicly owned passenger and freight rail facilities. The Texas Transportation Commission approved the Texas Rail Plan in 2010, but at present the fund contains no deposits, meaning TxDOT cannot exercise its authority to issue obligations to finance the relocation, construction, reconstruction, acquisition, improvement, rehabilitation or expansion of rail facilities in the state. Interested parties assert that rail is a critical component of Texas' overall freight and passenger transportation infrastructure and that using rail can be beneficial for the environment and can greatly reduce heavy vehicle traffic on the most congested highways in Texas. C.S.H.B. 1878 seeks to establish a continuous funding mechanism for the Texas rail relocation and improvement fund in order to improve and strengthen the rail infrastructure in Texas to meet the state's growing needs.

### **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**

C.S.H.B. 1878 amends the Transportation Code, in provisions establishing the amount of each certificate of title fee that is sent to the comptroller of public accounts for deposit to the credit of the Texas Mobility Fund or the Texas emissions reduction plan, to require \$5 of each \$33 fee imposed for certificates of title for vehicles in a county designated as nonattainment or having deteriorating air quality to be deposited to the credit of the Texas rail relocation and improvement fund. The bill removes a provision requiring this \$5 portion of each \$33 fee imposed in such a county and deposited on or after September 1, 2008, and before September 1, 2015, to be deposited to the credit of the Texas emissions reduction plan fund.

C.S.H.B. 1878, in provisions requiring an amount equal to the certificate of title fees deposited to the Texas Mobility Fund, in addition to the amount of each certificate of title fee, to be remitted to the Texas emissions reduction plan from non-dedicated state highway funds, requires the amount to be remitted instead to the Texas rail relocation and improvement fund to be used for certain specified purposes. The bill repeals a provision providing for the August 31, 2019, expiration of this provision relating to amounts allocated from the State Highway Fund.

C.S.H.B. 1878 authorizes money deposited to the Texas rail relocation and improvement fund under the bill's provisions to be used to fund an infrastructure project to reduce air pollution and relieve congestion through rail relocation or improvement, including an infrastructure project to reduce air pollution and engine idling by those means at a rail intersection that is located in a nonattainment or near nonattainment area.

C.S.H.B. 1878 repeals Section 501.138(b-3), Transportation Code.

**EFFECTIVE DATE**

September 1, 2013.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1878 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 152.122, Tax Code, is amended to read as follows:

No equivalent provision.

Sec. 152.122. ALLOCATION OF TAX. The comptroller shall deposit the funds received under Section 152.121 of this code as follows:

- (1) 1/4 to the credit of the foundation school fund; ~~and~~
- (2) from the funds not deposited as provided by Subdivision (1), \$25 million each state fiscal year to the credit of the Texas rail relocation and improvement fund under Section 49-o, Article III, Texas Constitution; and
- (3) after the amount required to be deposited under Subdivision (2) has been deposited, the remaining funds to the credit of the general revenue fund.

No equivalent provision.

SECTION 1. Section 386.251(c), Health and Safety Code, is amended to read as follows:

- (c) The fund consists of:
  - (1) the amount of money deposited to the credit of the fund under:
    - (A) Section 386.056;
    - (B) Sections 151.0515 and 152.0215, Tax Code; and
    - (C) Sections ~~[501.138,]~~ 502.358~~[,]~~ and 548.5055, Transportation Code; and
  - (2) grant money recaptured under Section 386.111(d) and Chapter 391.

No equivalent provision.

SECTION 2. Section 501.138, Transportation Code, is amended by amending Subsections (b-1) and (b-2) and adding Subsection (c-1) to read as follows:

- (b-1) Fees collected under Subsection (b) to be sent to the comptroller shall be deposited to the credit of the Texas Mobility Fund, except that \$5 of each fee

No equivalent provision.

No equivalent provision.

imposed under Subsection (a)(1) [~~and deposited on or after September 1, 2008, and before September 1, 2015,~~] shall be deposited to the credit of the Texas rail relocation and improvement [~~emissions reduction plan~~] fund.

(b-2) The comptroller shall establish a record of the amount of the fees deposited to the credit of the Texas Mobility Fund under Subsection (b-1). On or before the fifth workday of each month, the department shall remit to the comptroller for deposit to the credit of the Texas rail relocation and improvement [~~emissions reduction plan~~] fund an amount of money equal to the amount of the fees deposited by the comptroller to the credit of the Texas Mobility Fund under Subsection (b-1) in the preceding month. The department shall use for remittance to the comptroller for deposit to the credit of the Texas rail relocation and improvement fund as required by this subsection money in the state highway fund that is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution, and may not use for that remittance money received by this state under the congestion mitigation and air quality improvement program established under 23 U.S.C. Section 149.

No equivalent provision.

(c-1) Money deposited to the Texas rail relocation and improvement fund under Subsections (b-1) and (b-2) may be used to fund an infrastructure project to reduce air pollution and relieve congestion through rail relocation or improvement, including an infrastructure project described by Section 386.109(a)(4), Health and Safety Code.

No equivalent provision.

SECTION 3. Section 501.138(b-3), Transportation Code, is repealed.

SECTION 2. This Act takes effect September 1, 2013.

SECTION 4. Same as introduced version.