

Funding Options for 84th Legislature

<u>Action/Measure</u>	<u>Savings/Increased or New Revenue</u>
Stop issuing Texas Mobility Fund bonds	\$87.9M in FY15 up to \$708M in FY44
Eliminate 1% statutory allowance for Comptroller's motor fuels tax administration and enforcement	\$24.4M est. in FY15 (additional \$8.1M to ASF est. in FY15)
Reduce total timely filer allowance to 0.5% (per 2011 Government Effectiveness and Efficiency Report, pg.164) so allowance split evenly between suppliers and distributors/importers (who currently retain 1.75%)	\$37.5M est. in FY15 (additional \$12.5 to ASF est. in FY15)
Redirect motor vehicle sales and use taxes from GR to transportation	\$3.3B annually
Redirect motor vehicle rental tax from GR to transportation	\$220M annually
Redirect motor vehicle certificates from GR to transportation	\$30.7M annually
Redirect personalized license plate fees from GR to transportation	\$10.2M annually
Levy state sales tax (6.25%) on the retail purchase of motor fuel in lieu of current \$0.20 motor fuel tax. If pump price is approx. \$3.59 or higher, more \$ is raised by sales tax; if < \$3.59, more \$ is raised by \$.20 motor fuel tax.	\$9-10M annually (for every cent above pump price of \$3.59 for gasoline)
Increase general sales & use tax rate from 6.25% to 6.75% and direct additional revenue to transportation	\$1.9B annually
Direct sales tax revenue from sales, storing, and use of tires and auto parts to transportation	\$843M
Dedicate all revenue from motor fuel tax to SHF; end the 25% diversion to ASF	\$772M annually
Assess a Weight-Distance fee on trucks (per CTR report in response to TxDOT Rider 36 in FY12-13 budget) --adopt CTR's alternative fee structure (\$410M) and --apply CTR's fees to exempt vehicles (\$150M)	\$560M annually
Increase general sales tax rate on motor vehicle sales from 6.25% to 6.75% and direct additional revenue to transportation	\$260M annually
Increase vehicle registration fee for all vehicles by \$10	\$209M annually
Increase vehicle inspection fee by the amount of the fee directed to TMF. (The portion to TMF varies based on the type of vehicle/inspection.)	\$96M annually

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Increase state motor fuel tax rate of \$0.20/gallon by 1¢ or 5¢ to \$0.21/gallon and \$0.25/gallon, respectively	1¢ increase: \$116M annually (\$40M to ASF) 5¢ increase: average \$634M annually over next 10 years (\$211M annually to ASF over next 10 years)
Increase state diesel fuel tax rate from \$0.20/gallon to \$0.25/gallon	\$142M annually (additional \$48M to ASF)
Redirect receipts from Oversize/Overweight permits from GR to SHF	\$43.9M annually
Redirect receipts from commercial carrier registration from GR to SHF	\$14.4M annually
Decrease renewal period for driver licenses from 6 years to 4 years	\$32M annually (beginning in 5th year of implementation)
Enhance use of design-build by TxDOT	\$141-176M annually in savings
Allow TxDOT to charge toll authorities a maintenance fee. \$16.2M budgeted in FY13 for repairs and maintenance by Central Texas Turnpike System.	
Levy a jet fuel tax at \$0.05/gallon	\$150M annually
Shift General Revenue allocations from DRP and state traffic fines to SHF	\$125.5M est. in FY15
Deposit 10% of motor vehicle sales tax collections (currently deposited into GR) to SHF and increase allocation by 10% each FY until 100% of collections deposited to SHF	\$379.4M in FY16 (\$2.22B in FY20 with 50% allocation)
Deposit motor vehicle sales tax collections in excess of FY15 collections to SHF	\$149.9M in FY16 (up to \$757.4 est. for FY20)
End tax-free sale of motor fuel to U.S. government by distributors, suppliers, jobbers and dealers	\$77.2M est. in FY15
Evaluate LIRAP. Revenues deposited in Clean Air Account from On-Board Diagnostic (OBD) vehicle emissions inspection fees in (16) counties that have opted into the LIRAP provide funding for LIRAP (\$6 in DFW and HGA or \$2 in Travis & Williamson counties is added to the base inspection fee). Comptroller used \$209.2M in balances in Clean Air Account toward certification.	approx. \$35M unappropriated annually in FY12-15

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Evaluate TERP. Comptroller used \$992.6M in balances in TERP account in FY14-15 toward certification. \$15 of \$20 Certificate of Title transfer fee is deposited to TMF with TERP account being reimbursed with an equal amount by SHF; TERP authorization will end in FY19.	approx. \$100M unappropriated annually
SHF Appropriations to Agencies Other than TxDOT	\$1.28B
SHF appropriations to DPS for policing the state highway system and administering state traffic and safety laws on public roads	\$812.6M in FY14-15
SHF appropriations for Schedule C salary increase: a proportionate amount of SHF is appropriated to pay for a pay increase for troopers at DPS	\$85.6M in FY14-15
SHF appropriations for employee benefits: employee benefits are paid proportionately by fund so a proportionate amount of SHF is provided for insurance, retirement, Social Security, and benefit replacement pay costs for employees and retirees from agencies receiving SHF appropriations (excluding TDI)	\$221.7M in FY14-15 (does NOT include TxDOT)
SHF appropriations to DMV to support motor vehicle registration & titling, vehicle dealer registration & regulation, motor carrier registration & regulation, and agency administration	\$71.4M in FY14-15
SHF appropriations to Texas A&M Transportation Institute for supporting highway safety and other transportation-related research	\$16.9M in FY14-15
SHF appropriations to the OAG for providing legal services on behalf of TxDOT and DPS (includes right-of-way acquisition proceedings and representation in lawsuits)	\$11.9M in FY14-15
SHF appropriations to TDI to support TexasSure, the state's vehicle insurance verification system. \$1 fee collected during vehicle registration and deposited to SHF. Annual revenue is approx. \$21M but only approx. \$5M is appropriated (to TDI).	\$10.1M in FY14-15 approx. \$16M unappropriated annually
SHF appropriations for general state employee salary increase: a proportionate amount of SHF is appropriated to pay for salary increases for general state employees with salaries paid from SHF (including TxDOT)	\$46.2M in FY14-15
SHF appropriations to State Office of Administrative Hearings to provide for hearings for DPS's Administrative License Revocation Program	\$6.5M in FY14-15
Source: documents/testimony from hearings of Select Committee on Transportation Funding, Expenditures and Finance	