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September 18, 2020

The Honorable Terry Canales Texas House of Representatives P.O. Box 2910 Austin, Texas 78768

Re: Request for Information – Interim Charge 1B

Dear Chairman Canales,

The Bay Area Houston Transportation Partnership (BayTran) is an advocate for increased mobility and infrastructure investment in Texas and our region.

BayTran's region (Harris, Galveston and Brazoria Counties) is comprised of growing residential communities, heavy industrial complexes and multiple ports. The roads in our region are critical to moving people safely, goods efficiently, and serving as our coastal communities' evacuation routes during emergencies.

Due to the combined impacts of COVID-19 and the downturn in the oil and gas industry, Comptroller Glen Hegar has reported significant declines in revenue to the primary sources of funding for our state's highways.

BayTran believes we must keep all current tools in the toolbox, including tolling, and we oppose any diversions from exiting transportation funding sources.

BayTran recommends the following adjustments to existing revenue sources:

Motor Vehicle Fuel Tax – with the last increase in 1991, the purchasing power of the 20-cent state motor fuel tax has diminished. BayTran recommends increasing the tax and indexing to a level of inflation such as the Construction Cost Index.

Vehicle Registration Fees – Increase at the statewide level or provide authorization for local governments to enact increases.

BayTran recommends review of potential sources for new revenue:

Electric Vehicle Equity Fee – Establish a fee to ensure that electric vehicle owners contribute a fair share of the cost to fund Texas roadways.

Relax the Sales Tax Cap – Provide the option for counties to authorize up to a 1% sales tax for local transportation and related infrastructure projects.

On behalf of BayTran, thank you for the opportunity to testify regarding Interim Charge 1B. We look forward to working with you to shape the funding of Texas' infrastructure.

Sincerely,

Theresa Rodriguez President