

SUBJECT: Funding of rural, small-city mass transportation projects

COMMITTEE: Transportation — committee substitute recommended

VOTE: 5 ayes — Alexander, Bosse, Clemons, Edwards, Uher

0 nays —

4 absent — Alonzo, Moreno, Price, Siebert

WITNESSES: For — John McBeth, Texas Transit Association

Against — None

BACKGROUND: Forty-one rural and 25 small urban areas operate transit systems in Texas under regulation by the Federal Transit Administration and the Texas Department of Transportation (TxDOT).

VACS, art. 6663c establishes a public transportation fund in the State Treasury and outlines the proportion of state dollars allowed to be used as a match with federal funds available for transit projects. State and federal money is apportioned according to preset formulas and discretionary programs. The public transportation fund has been abolished but would be reestablished under HB 2588 by Alexander et al., which is also on today's calendar.

If Congress eliminates federal funding for various transit projects, Texas statutes that limit state spending to amounts matched by federal money would virtually prohibit state spending.

DIGEST: CSHB 2496 would eliminate provisions in VACS art. 6663c requiring state funds appropriated into the public transportation fund to be matched with federal dollars.

Recipients of transit grant money may use money from the formulas and discretionary programs to provide for capital improvements, planning activities, operating expenses and other administrative costs.

The bill would eliminate which transit authorities could receive money from the fund. A city transit department in a municipality with population under 200,000 would be eligible for funds from the formula and discretionary programs; metropolitan or regional authorities created under VACS 1118x (metropolitan transit authorities) would not. Other transit authorities in cities of 200,000 or more population would be eligible. The bill would establish specific percentages for local share requirements for federal projects.

The bill would define urbanized area as an area with a population of more than 50,000 but less than 200,000; rural area as an area having a population of 50,000 or less.

The legislation would take effect September 1, 1995.

NOTES:

The substitute eliminated reauthorization of the public transportation fund. It added the provision specifying eligibility for funds of authorities in cities of less than 200,000 population.

Also on today's calendar is HB 2588 by Alexander, which would reestablish the public transportation fund and create governing statutes for rural and small urban transit districts.