

## **BILL ANALYSIS**

Senate Research Center

H.B. 3443  
By: Kubiak (Armbrister)  
State Affairs  
5-6-97  
Engrossed

### **DIGEST**

Currently, Tarrant County, Mesquite, and Grand Prairie are ineligible to qualify for funding as urbanized areas under certain legislation passed during the 74th Legislature, which conformed the state's public transportation program with the federal Governor's Discretionary Program. In addition, there are concerns that the current allocation formula for distributing public transportation funds to small cities is inadequate and needs revision in areas such as cash management, transit planning, and maximizing transit service. This bill revises the allocation formula in order to provide funding for the three previously funded urbanized areas of Tarrant County, Mesquite, and Grand Prairie to reflect recent changes in practice and policy related to public transportation funding for small cities.

### **PURPOSE**

As proposed, H.B. 3443 sets forth provisions regarding the financing of public transportation.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 456.001, Transportation Code, by amending Subdivisions (2), (8), (11) and (12) and adding Subdivisions (13) and (14), to redefine "designated recipient," "public transportation," "transit authority," and "urbanized area" and to define "nonurbanized area" and "local funds."

SECTION 2. Amends Section 465.006, Transportation Code, to authorize a designated recipient of money from the United States or this state for public transportation (designated recipient) that is a rural or urban transit district or municipal transit department to use money from the formula or discretionary program and any local funds for any transit-related activity. Authorizes a designated recipient not included in a transit authority but located in an urbanized area that includes one or more transit authorities and that received state transit funding in a certain period to receive certain payment. Defines "rural transit district" and "urban transit district."

SECTION 3. Amends Section 456.007, Transportation Code, by adding Subsection (c), to set forth certain conditions regarding the use of federal grants of transit money to the state for public transportation purposes.

SECTION 4. Amends Section 456.022, Transportation Code, to require the Texas Transportation Commission (commission) under the formula program to allocate 50 percent of the money to municipalities that are designated recipients in urbanized areas or transit providers and 50 percent of the money to designated recipients in nonurbanized areas. Deletes provisions regarding areas that are not served by a transit authority which have certain populations and other rural areas.

SECTION 5. Amends Sections 456.024(a) and (b), Transportation Code, to require the Texas Transportation Commission (commission) to distribute 10 percent of the total amount to designated recipients described by Section 465.022(1) for state or federal projects selected by the commission. Sets forth provisions regarding the distribution required by Subsection (a)(1) to each public transportation system that received money in accordance with 49 U.S.C. Section 5317 or certain

other municipalities. Sets forth a provision regarding each entity's portion of the distribution. Deletes provisions regarding certain sums computed in Section 5307 of the Federal Transit Act.

SECTION 6. Amends Section 456.041(a), Transportation Code, to require the application for a designated recipient for project financing to contain the certification required by Section 456.006(b)(4), rather than 456.004.

SECTION 7. Repealer: Section 456.025, Transportation Code (Reporting by Designated Recipients).

SECTION 8. (a) Provides that in addition to the substantive changes in law made by this Act, this Act conforms the Transportation Code to changes in law made by Chapter 644, Acts of the 74th Legislature, Regular Session, 1995.

(b) Repealer: Chapter 644, Acts of the 74th Legislature, Regular Session, 1995.

(c) Provides that to the extent of any conflict, this Act prevails over another Act of the 75th Legislature, Regular Session, 1997, relating to nonsubstantive additions and corrections in enacted codes.

SECTION 9. Emergency clause.

Effective date: upon passage.