

## **BILL ANALYSIS**

Senate Research Center

H.B. 3185  
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Infrastructure Development and Security  
5/19/2003  
Engrossed

### **DIGEST AND PURPOSE**

Subchapter B, Chapter 456, Transportation Code, establishes the formula program under which most state grants to public transportation providers are distributed. These grants are distributed partly on the basis of a formula tied to the grants received by entities during the previous biennium and partly on the basis of a formula tied to the amount entities received in federal grants. In practice, the formula distribution has proved to perpetuate the historical allocation of funds. In addition, although Section 456.026 (Reporting by Designated Recipients), Transportation Code, requires the Texas Transportation Commission (TTC) to administer a performance-based reporting system, the existing system fails to incorporate performance as a relevant factor in the allocation of funding. Consequently, TTC has been unable to allocate funds in a way that will encourage, enhance, and reward efficiency so that better service can be provided to users and potential users of public transportation services. H.B. 3185 repeals Section 456.024 (Distribution of Allocations), Transportation Code, and requires TTC to adopt rules establishing a formula allocating funds among individual eligible public transportation providers. H.B. 3185 authorizes the formula to take into account a transportation provider's performance, the number of its riders, the need of residents in its service area for public transportation, population, population density, land area, and other factors established by TTC.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 456.022, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 456.022, Transportation Code, as follows:

Sec. 456.022. New heading: FORMULA ALLOCATION. Requires the Texas Transportation Commission (TTC) to adopt rules establishing a formula allocating funds among individual eligible public transportation providers. Authorizes the formula to take into account a transportation provider's performance, the number of its riders, the need of residents in its service area for public transportation, population, population density, land area, and other factors established by TTC. Deletes text referring to TTC's allocation of money under the formula program.

SECTION 2. Repealer: Section 456.024 (Distribution of Allocations), Transportation Code.

SECTION 3. Effective date: September 1, 2003.