

BILL ANALYSIS

Senate Research Center

S.B. 754
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

State law grants exemptions from payment of motor fuel taxes to agencies of the federal government, to those providing transportation for public education, and to commercial transportation providers. Current law requires transit authorities, including those that provide general mobility funds throughout their service area, to pay the state fuel taxes.

General mobility funds are used to improve utilization and management of state roadways. The annual expenditures by Houston METRO on operations of the state highway system are about \$7 million, not including roadway and traffic signal investments, of which \$6 million is used for the Motorist Assistance Program to reduce delays from simple breakdowns on the highway network, and \$1 million is paid to TranStar, the nerve center of the Houston area highway network.

Transit authorities pay fuel taxes which fund state roadways, but also use portions of their general mobility budget on state roadways, therefore paying twice to improve the roadways.

As proposed, S.B. 754 provides certain transit authorities with a tax credit for funds expended on state roadways.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 451, Transportation Code, by adding Subchapter R, as follows:

SUBCHAPTER R

Sec. 451.820. Authorizes an authority (rapid transit authority created under this chapter or under Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973) subject to this subchapter, to claim as credit for taxes due under Subchapter B (Gasoline Tax) or Subchapter C (Diesel Fuel Tax), Chapter 162, Tax Code, any funds expended for traffic safety, traffic monitoring, incident response, and vehicle removal on a highway or road designated as part of the state highway system by the Texas Department of Transportation (TxDOT) as authorized under Section 201.103 (Comprehensive System of Highways and Roads), Transportation Code.

Sec. 451.821. Authorizes a credit to be claimed at the time of purchase of fuel or for purchases of fuel within five years of the expenditure for traffic safety, traffic monitoring, incident response and vehicle removal on a highway or road designated as part of the state highway system by TxDOT under the authority of Section 201.103, Transportation Code.

Sec. 451.822. Provides that this subchapter applies only to an authority in which the principal municipality has a population of more than 1.2 million.

SECTION 2. Effective date: September 1, 2007.