

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 294  
By: Hinojosa  
Transportation & Homeland Security  
4/7/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3437, 80th Legislature, Regular Session, 2007, authorized regional mobility authorities in Hidalgo and Cameron counties to collect up to \$10 per vehicle registered in those counties for transportation projects. With state and federal transportation funds becoming more scarce, it has become crucial for local governments to have the authority to implement innovative financing techniques for short-term and long-term transportation projects.

C.S.S.B. 294 removes the current statutory brackets and authorizes the commissioners court of a county to increase, from \$10 to \$15, the maximum collectible amount for the optional county fee for transportation projects. The bill also authorizes counties to collect an additional optional vehicle registration fee of up to \$50 per vehicle to be used for long-term transportation projects. The bill authorizes certain uses for fee revenue.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Transportation in SECTION 2 (Section 502.1725, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 502.172(a), Transportation Code, to increase the maximum amount the commissioners court of a county by order is authorized to impose as an additional fee for registering a vehicle in the county from \$10 to \$15.

SECTION 2. Amends Section 502.1725, Transportation Code, as follows:

Sec. 502.1725. OPTIONAL COUNTY FEE FOR TRANSPORTATION PROJECTS.

(a) Deletes existing text of Subsection (a) that applies this section only to certain counties. Redesignates Subsection (b) as Subsection (a). Increases the amount the commissioners court of a county by order is authorized to impose as an additional fee for registering a vehicle in the county from \$10 to \$50.

(b) Redesignates Subsection (c) as Subsection (b).

(c) Redesignates Subsection (d) as Subsection (c). Provides that a fee imposed under this section is not required to be annually reauthorized and remains in effect until removed as provided by Subsection (d).

(d) Redesignates Subsection (e) as Subsection (d). Creates an exception under Subsection (d-1).

(d-1) Prohibits the fee, if the revenue from a fee imposed under this section has been pledged or assigned to secure the payment of bonds or other obligations as provided by Subsection (e-1), from being removed until the bonds or other obligations secured by the pledge or assignment have been paid or discharged.

(e) Redesignates Subsection (f) as Subsection (e). Requires the county to deposit, rather than send, the fee revenue in a special account in the county general fund. Provides that except as provided by Subsection (j), money in the account is authorized to be used only to contract with:

(1) the regional mobility authority of the county to promote and maintain a public purpose of the county that involves funding long-term transportation projects in the county;

(2) a transportation governmental entity designated under Subsection (i) to promote and maintain a public purpose of the county that involves funding long-term transportation projects in the county;

(3) a rural or urban transit district established under Chapter 458 (Rural and Urban Districts) to promote and maintain a public purpose of the county; or

(4) a public or private entity developing a long-term transportation project in the county under an agreement with the county, the regional mobility authority of the county, or a transportation governmental entity designated under Subsection (i) to promote and maintain a public purpose of the county.

(e-1) Authorizes revenue from a fee imposed under this section to be pledged or assigned by the county, the regional mobility authority of the county with which the county contracts under Subsection (e), or a transportation governmental entity with which the county contracts under Subsection (e) to secure the payment of bonds or other obligations associated with the development of long-term transportation projects in the county as provided by Subsection (e).

(f) Redesignates Subsection (g) as Subsection (f). Requires the Texas Department of Transportation (TxDOT) to send all fees collected for a county under this subsection to the county for deposit and use as provided by Subsection (e) or (e-1), rather than to the regional mobility authority of the county to fund long-term transportation projects in the county.

(g) Redesignates Subsection (h) as Subsection (g).

(h) Prohibits the total amount of fees imposed by a commissioners court of a county under this section and under Section 502.172 from exceeding \$65.

(i) Requires TxDOT to designate the governmental entities that serve primarily a transportation function and with which counties may contract under Subsection (e).

(j) Authorizes a county imposing a fee under this section to send a portion of the fee revenue to the municipalities in the county in proportion to the population of each municipality to support public transportation in the municipality provided by a rural or urban transit district established under Chapter 458.

(k) Prohibits the fee, notwithstanding Subsection (a), imposed by the commissioners court of a county with a population of at least 600,000 and that is located on the international border from exceeding \$10.

SECTION 3. (a) Effective date: upon passage or September 1, 2009.

(b) Provides that a vehicle registration fee authorized by Section 502.1725, Transportation Code, as amended by this Act, may be used as provided by Sections 502.1725 (e)(3) and (j), Transportation Code, as added by this Act, only if the constitutional amendment proposed by the 81st Legislature, Regular Session, 2009, allowing the expenditure of vehicle registration fees to construct, maintain, and operate passenger rail, transit, and freight rail is approved by the voters. Provides that if that amendment is not approved by the voters, a vehicle registration fee authorized by Section 502.1725, Transportation Code, as amended by this Act, may not be used as provided by Sections (e)(3) and (j), Transportation Code.