



# **City of Corpus Christi**

## **STATE LEGISLATIVE PRIORITIES**



### **83<sup>rd</sup> Texas Legislature**

**2013**

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## **Introduction**

Prior to the beginning of each state and federal legislative session, the City of Corpus Christi staff, working with input and support from the City Council, the City's lobby team, interested stakeholders, the Texas Municipal League (TML), and other cities, develop a list of potential legislative policy and appropriations recommendations.

The City's success is measured by both passage of beneficial legislation as well as preventing passage of legislation that could have detrimental effects on the City, its programs and services, tax base, citizens, business, and industry.

### Texas Legislative Preview

As Texas continues to recover from the economic recession of the past several years, revenue projections for the State of Texas is improving. However, Governor Rick Perry and the Legislative Budget Board have directed state agencies to develop their legislative appropriations requests for the 2014-2015 biennial budget, to identify 10 percent savings (in five percent increments) in general revenue-related funding. The leadership also warned state agencies they may be asked to reduce their fiscal year 2013 budgets should state fiscal conditions warrant it.

During the interim (mid-2011 through 2012), committees of the Texas Senate and House conducted policy studies, in which City staff monitored and participated. These committees will issue reports towards the end of 2012 with recommendations for the 83<sup>rd</sup> Texas Legislature to consider.

The outcome of the November 6, 2012, General Election could alter who will play critical roles in the Texas Legislature for many of the City's priorities. Although there is expected to be significant turnover in membership (more than 40 members of the House and at least five in the Senate), the Texas Legislature is anticipated to remain a fiscally conservative body. Because statewide elected offices are not on the ballot this year, Governor Rick Perry remains in a strong and influential position on policy and appropriations issues. As in the past, the legislature has a negative reaction to legislation which has an associated cost to implement -- in legislative terms "a positive fiscal note". Bills that have no cost (a "zero fiscal note") or provide a cost savings have a better chance at passage.

During a legislative interim hearing this summer, Mike Reissig of the Comptroller of Public Accounts said a "slowing economy" for Texas is expected over the next few years due to European debt crisis, weakness in China and India, sluggish U.S. growth and lower global demand for oil. He indicated state employment growth is anticipated to slow, personal income growth is expected to decline, and the gross state product is expected to grow. Tax collections in 2012 are growing modestly -- sales taxes, motor vehicle sales and franchise taxes. The Legislature will face some daunting challenges when it convenes in January 2013. Despite a projected budget surplus, the Legislative Budget Board expects to need a supplemental appropriation bill to deal with a Medicaid funding need of \$4.7 billion, \$180 million for wildfire recovery, \$60 million for correctional health care, possibly \$2 billion for public education to deal with school enrollment growth, and perhaps another \$800 million for higher education will be

needed. Even Speaker of the Texas House of Representatives Joe Straus predicted the state will need an additional \$9 billion.

Legislative Program Administration

The execution of the City’s legislative program is coordinated and carried out on a day-to-day basis by the Director of Intergovernmental Relations, under the general supervision of the Assistant City Manager for Business Support Services and the general direction of the City Manager upon approval of the program by the City Council. The City also contracts with professional legislative liaisons at both the state and federal level, who coordinate with and receive direction from the Director of Intergovernmental Relations. As in the past, the City anticipates working closely with the local legislative delegation to both sponsor the City’s legislative priorities and assist in defeating measures with a negative or harmful impact on the City, its residents or tax base. In addition, the City will work continue to work closely with the Texas Municipal League (TML) and the major metropolitan cities in Texas on issues of importance and value to municipalities. It is recognized that this policy will often be implemented in the context of great numbers of voluminous proposals being considered within short time periods. City representatives, under the direction of the City Manager, shall be authorized to act on behalf of the City consistent with the necessarily broad policy concerns set forth in this policy.

**LEGISLATIVE TIMELINES**

May-June 2012	Solicit ideas for possible legislative proposals
July-August 2012	Research ideas with City staff, Texas Municipal League, lobby team, stakeholders, state and federal agencies
September 25, 2012	Council workshop on state legislative policy & appropriation issues
October 9, 2012	Council discussion of state legislative policy & appropriation recommendations on Future Agenda.
October 16, 2012	Council vote on state legislative policy & appropriation recommendations
October - November-December 2012	Prepare bill draft, analysis, supporting documentation. Deliver report to City lobby team & begin discussions with possible authors/sponsors.
November 6, 2013	General Election Day
November 12, 2012	Pre-filing of legislation begins for 83 <sup>rd</sup> Texas Legislature
January 3, 2013	113 <sup>th</sup> U.S. Congress convenes
January 8, 2013	83 <sup>rd</sup> Texas Legislature convenes
January 20, 2013	Presidential Inauguration Day
March 8, 2013	Deadline for filing bills and joint resolutions other than local bills, emergency appropriations, and bills that have been declared an emergency by the governor
May 27, 2013	83 <sup>rd</sup> Texas Legislature adjourns Sine Die
June 16, 2013	Last day governor can sign or veto bills passed during the regular legislative session

The City of Corpus Christi’s state and federal legislative priorities will be approved by the city council several months ahead of the 83<sup>rd</sup> Regular Session of the Texas Legislature and the 113<sup>th</sup> U.S. Congress convening in January 2013. The City’s legislative policy recommendations address specific desired outcomes, but also gives the IGR staff and contract external lobbyists guidance to respond and react to emerging policy and funding issues that materialize during the time-constrained crunch of the legislative sessions. In the event the IGR staff requires guidance, specific resolutions may be brought to the city council in order to give direction or when the situation requires a higher level of input.

**General State Legislative Guidelines**

The City <u>SUPPORTS</u> legislation and/or administrative actions that:	The City <u>OPPOSES</u> legislation and/or administrative actions that:
<ul style="list-style-type: none"> <li>• Protect and enhance City revenues.</li> <li>• Reduces or eliminates costs to the City.</li> <li>• Support local control.</li> <li>• Protects policies previously established by City leadership through the Charter, ordinances, resolutions, and master plans.</li> <li>• Provide increased educational opportunities for the citizens of Corpus Christi and the Coastal Bend region by supporting its public schools, community colleges, and universities.</li> </ul>	<ul style="list-style-type: none"> <li>• Undermine the principle of home rule and local control by the City.</li> <li>• Results in the loss of revenue or negatively impacts potential revenue growth to the City.</li> <li>• Diminishes the authority of cities to regulate and manage their growth and development.</li> <li>• Nullify or undermine the City’s policies contained in existing provisions of the Charter, ordinances, resolutions, and master plans, unless such changes expand the City’s ability to manage its own affairs.</li> <li>• Imposes unfunded mandates that requires any expenditures by the City unless all costs are fully reimbursed by the mandating governmental entity.</li> </ul>

The City’s IGR Department places three levels of importance on legislative issues.

- ✓ **Priority** – means the City will actively pursue and support/oppose the policy, including, if necessary, seeking introduction and passage of legislation. This would include purely local Corpus Christi bills, as well as very important legislation of statewide application.
- ✓ **Actively Support/Oppose** – means the City will aggressively attempt to influence passage/defeat of a measure if it is introduced by some other entity.
- ✓ **Endorse** – means the City will make its support or opposition known, but will not actively pursue the issue.

## CITY OF CORPUS CHRISTI STATE LEGISLATIVE PRIORITIES

*NOTE: Please see Appendix A for more detailed briefing information on Priority topics. No additional briefing information provided on Actively Support/Oppose and Endorse items.*

### **P R I O R I T Y**

1. Windstorm Insurance reform to include de-populating the windstorm insurance pool; spreading the risk to a larger pool of insured; repealing Class 2 and 3 post-event bonds; allowing single adjuster for TWIA loss claims; limiting frivolous lawsuits; creating incentives for insurance companies to write policies in the voluntary market, and setting reasonable premiums for policyholders.
2. Expand authority of Joint Airport Zoning Board in Chapter 241, Local Government Code, to prevent and mitigate electromagnetic and radar interference.
3. Seek funding to protect Texas military installations from future budget cuts or BRAC-like actions by improving operational efficiency, enhancing the strategic military mission, or eliminating potential incompatible land uses near Texas military bases.
4. Give local governments access to a variety of financing tools, and remove any restrictions that limit flexibility to use economic incentives to address community-specific transportation infrastructure needs through all project phases.
5. Strongly protect and proactively oppose any effort to take away the City's existing water rights. ***No legislation needed.***
6. Exempt the Corpus Christi Aquifer Storage and Recovery District from the requirement of developing a "desired future condition" of the aquifer in Chapter 36, Water Code.
7. Validate actions of the Lower Nueces Water Supply District to protect City's real property interests near Lake Corpus Christi.
8. Create a dedicated funding source to implement long-term water management strategies in the 2012 State Water Plan.
9. Allow a County to use its Texas Enterprise Zone designations for a company that is in the extraterritorial jurisdiction of a City that is not in that County.
10. Allow Texas Enterprise Zone designations to be broken down into halves or quarters.
11. Constitutional amendment authorizing gaming at destination locations in Texas.
12. Eliminate or reduce the population threshold in the Local Government Code and Government Code to allow smaller municipalities flexibility in contracting available to larger municipalities.

13. Amend Chapter 451, Transportation Code, to change city appointment to rapid transportation authority board representing transportation disadvantaged individuals.
14. Stop non-transportation-related diversions from Fund 6 (State Gasoline Tax).  
*No legislation needed.*

### **A C T I V E L Y   S U P P O R T**

1. Limitation on boating sales tax to create incentive for large boats to be registered in Texas.
2. Pass a constitutional amendment (authorize referendum) to protect local governments from unfunded mandates.
3. Oppose further cuts in Mental Health and Mental Retardation (MHMR) funding.
4. Fair and equitable school finance system that strives for excellence, maximizes local control and encourages students to achieve academic success and prepares them for career opportunities in the future.
5. Texas should enhance existing formula funding to increase efficiency and encourage graduates from Texas universities and community colleges to support the critical role of providing a skilled workforce for the Texas economy.
6. Reinstate the dispersal of Law Enforcement Officers Standards and Education (LEOSE) funds to law enforcement entities across the state to defer the cost of the required continuing education of Texas peace officers.
7. Authorize sobriety checkpoints and other driving while intoxicated (DWI) prevention and enforcement tools without limitation to population, including the use of ignition interlocks on those convicted of a DWI offense.
8. Amend Section 28.08 the Texas Penal Code, to enhance prosecution of graffiti cases in which the offender continues repeating the offense. If it is shown on the trial of the offense that the defendant has been previously convicted of two or more offenses under this section, then the current offense is enhanced to the next highest degree (except for a felony of the first degree offense).
9. Return back into the Texas Transportation Code the penalty of a \$200 fine for driving a vehicle without a license plate.
10. Amend Section 38.04, Texas Penal Code, to increase the penalty for those suspects who flee from law enforcement on foot and while doing so, enter into a building or habitation without consent of the owner. Establish the penalty of a State Jail Felony when the components of the offense include the act of a suspect fleeing into a building and

establish a Third Degree Felony when a suspect flees into a residence, both without effective consent of the owner.

### **A C T I V E L Y   O P P O S E**

1. Changes to the Public Education and Government one percent franchise fee for state cable franchises.
2. Flow control restrictions in solid waste management.
3. Changes in funding or structure that might weaken the long-term viability and actuarial soundness of the Texas Municipal Retirement System (TMRS) and limit or restrict a municipality's benefit flexibility.
4. Changes to the school start date.
5. Limitations on local control and restrictions on city's extra-territorial jurisdiction.
6. Revenue Caps or erosion of local control over budgeting process;
7. Limits on land use regulatory authority;
8. Limits on building and construction permit fees;
9. Reduction in revenue collected for right of way rental (i.e. Franchise fees); and
10. Elimination or limits on the use of economic development tools.

### **E N D O R S E**

1. Benefit plan flexibility.
2. Continuation of economic development incentives and funding for the Governor's Office.
3. Continuation of funding for State agencies that provide critical services in the Coastal Bend, including Texas Parks and Wildlife Department, Texas Commission on the Arts, Texas Historical Commission, Texas Health and Human Services agencies, Texas Department of Transportation, Texas General Land Office, Texas Commission on Environmental Quality, Texas Department of Public Safety, and others.
4. Amend Section 551.002(c), Local Government Code, to remove the restriction on when a home rule municipality can protect streams, watersheds, and aquifers in the city's extraterritorial jurisdiction.

**APPENDIX A**

**City of Corpus Christi**

**State Legislative Priority Summaries**



**CATEGORY: PRIORITY**

**Windstorm Insurance reform to include de-populating the windstorm insurance pool; spreading the risk to a larger pool of insured; repealing Class 2 and 3 post-event bonds; allowing single adjuster for TWIA loss claims; limiting frivolous lawsuits; creating incentives for insurance companies to write policies in the voluntary market, and setting reasonable premiums for policyholders.**

<p><b>Problem Description:</b></p>	<p>The Texas Windstorm Insurance Association’s (TWIA) growth in the last five to seven years has made it one of the biggest insurers on the Texas Coast, shifting TWIA’s role from “residual” market to the only market in some areas. Interested parties have expressed concern about TWIA’s overall structure and funding mechanisms, given the tremendous growth of TWIA. The Joint Interim Committee to Study Seacoast Territory Insurance was appointed to assess alternate ways of providing windstorm insurance to businesses and homeowners along the coastline.</p>
<p><b>Background:</b></p>	<p>The Texas windstorm insurance program was created in 1971 and its statutory authority can be found in Chapter 2210, Texas Insurance Code. The stated purpose in statute for TWIA is the provision of an adequate market for windstorm and hail insurance along the Texas coast. TWIA is intended to serve as a residual insurer of last resort for windstorm and hail insurance, is not supposed to be a direct competitor in the private market, and only provide windstorm and hail insurance coverage to those who are unable to obtain that coverage in the private market. TWIA provides windstorm and hail insurance in 14 “first tier” Texas coastal counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy, and a portion of Harris County. Nueces County represents 18 percent of the policies in force with TWIA (almost \$13 billion in building and contents covered) behind only Galveston and Brazoria Counties.</p> <p>TWIA is composed of all property insurers licensed to do business in Texas. There are nine members on the TWIA Board of Directors and one additional member – a licensed engineer - who serves as a nonvoting member to advise the board on issues related to the inspection process. The board has four insurance industry representatives. Of the five remaining members, four must reside in the first tier and at least one must be a licensed property and casualty agent. The final member must come from a non-coastal area. Former State Representative Gene Seaman and former Port Aransas Mayor Georgia Neblett serve on the TWIA Board. TWIA is run by a General</p>

Manager.

**TWIA Exposures, Policies & Premiums Written**

	<b>Total Direct Liability In Force As of 3/31/11</b>	<b>Total TWIA Policies in Force As of 3/31/11</b>	<b>Total Direct Liability In Force As of 3/31/12</b>	<b>Total TWIA Policies in Force As of 3/31/12</b>
Dwelling	\$54,938,217,667	229,549	\$59,195,536,040	244,941
Mobile Homes	\$30,613,176	692	\$37,829,968	813
Non-Dwelling	\$12,796,872,847	13,296	\$12,815,498,419	13,297
<b>Totals</b>	<b>\$67,765,703,690</b>	<b>243,537</b>	<b>\$72,048,864,427</b>	<b>259,051</b>

*Source: Texas Windstorm Insurance Association Overview, by TDI, 4/25/12*

*Quarterly Statistical Report as of 3/31/11 and 3/31/12 from Texas Windstorm Insurance Association*

*Paying covered losses*

Loss claims made by insured property owners are paid from:

- (1) premiums and other revenues,
- (2) catastrophe reserve trust fund (CRTF) - The CRTF was created by the Legislature in 1993 to fund losses in excess of premiums. The balance in the CRTF as of 3/31/12 was \$147,962,563.
- (3) reinsurance (if any) - TWIA has a reinsurance policy in effect from June 1, 2011 through May 31, 2012 in the amount of \$636 million in excess of a \$1.6 billion retention.
- (4) pre-event and post-event bonds sold by TWIA. Class 1 bonds are pre- or post-event bonds and are limited to one billion dollars per catastrophe year. Class 1 bonds must be paid back within 14 years. Class 2 bonds are post-event bonds and are limited to one billion dollars per catastrophe year. Class 3 bonds are post-event bond and are limited to \$500 million per catastrophe year. Class 2 and 3 bonds must be paid back within 10 years.

*Rates/Premiums*

TWIA rates must be reasonable, adequate, not unfairly discriminatory, and nonconfiscatory as to any class of insurer. Rates must consider prior loss experience and potential losses, operating expenses, profit and contingencies, the cost to issue and repay Class 1 bonds, and other relevant factors. Residential and Commercial rates are filed annually with TDI. The average rate change is capped at  $\pm 10\%$  than the rate in effect on the date TWIA files with TDI. The rate for an

individual rating class is capped at  $\pm 15\%$ . TWIA may also change rates  $\pm 5\%$  under a file and use system.

**2000-2012 TWIA Rate Change History**

Year or Effective Date	Residential	Commercial
2000	8.7%	9.0%
2001	18.5%	4.0%
2002	0.0%	5.0%
Separation of residential rates from benchmark rates		
1/1/2003	0.0%	10.0%
1/1/2004	9.6%	10.0%
1/1/2005	0.0%	10.0%
1/1/2006	0.0%	5.0%
7/1/2006	3.1%	8.0%
1/1/2007	4.2%	3.7%
2/1/2008	8.2%	5.4%
2/1/2009	12.3%	15.6%
NOTE: 10.0% cap removed due to catastrophes		
1/1/2011	5.0%	5.0%
1/1/2012	5.0%	5.0%
July 2012 (proposed)	5.0%	5.0%

Source: *Texas Windstorm Insurance Association Overview*, by TDI, 4/25/12

**Proposed Solution:**

*Work with the Corpus Christi Chamber of Commerce’s windstorm committee and State Representative Todd Hunter’s windstorm task force to draft a bill that accomplishes the following goals:*

- 1. De-populate the windstorm insurance pool.*
- 2. Spread the risk to a larger pool of insured.*
- 3. Repeal Class 2 and 3 post-event bonds.*
- 4. Allow single adjuster for TWIA loss claims.*
- 5. Limit frivolous lawsuits.*
- 6. Create incentives for insurance companies to write policies in the voluntary market.*
- 7. Reasonable premiums for policyholders.*

**Fiscal Impact:**

*The City is committed to providing additional resources to assist with coordination efforts with coastal communities to proactively advocate for a legislative solution to windstorm insurance reform.*

**CATEGORY: PRIORITY**

**Expand authority of Joint Airport Zoning Board in Chapter 241, Local Government Code, to prevent and mitigate electro-magnetic and radar spectrum interference.**

<p><b>Problem Description:</b></p>	<p>The radar used to track both general aviation, commercial and military aviation take-offs, landings, and approaches at the Corpus Christi International Airport receives interference from a number sources, including wind turbines. The Joint Airport Zoning Board has limited authority to address these land-based interferences in areas five miles off the ends of each runway and 1 ½ miles from the centerline of each runway, but have no authority for areas further away. Encroachments to military installations and equipment jeopardize the health, safety and welfare of the traveling public and weaken the standing of the base for future Base Realignment and Closure (BRAC) activities.</p>
<p><b>Background:</b></p>	<p>The Joint Airport Zoning Board was formed jointly by Nueces County and the City of Corpus Christi in May 1957. San Patricio County was added to it in 1979. The board has met sporadically, as needed, over the last 45 years. It was re-activated in mid-2012. The Board is being re-activated to address the growing conflicts with interferences. The majority of the radar and electromagnetic spectrum interferences come from wind turbines within 25 miles of the airport radar.</p> <p>The Corpus Christi International Airport’s radar controls general aviation, commercial and military training flights. The Corpus Christi International Airport, Naval Air Station – Corpus Christi, Naval Air Station Kingsville and their outlay landing fields have approximately 800,000 operations combined– that is take-offs and landings of commercial, military and unmanned aircraft – more than the Dallas-Fort Worth International Airport. Approximately 60 percent of the 100,000 operations at the Corpus Christi International Airport are conducted by the military aircraft in our area.</p> <p>Encroachments, either on land in the form of developments, or in the airspace in the form of navigational interferences, severely weakens a military base’s standing for future Base Closure and Realignment Commission (BRAC)-type activities. While other states, such as Oklahoma, Louisiana, Florida, and Virginia, are investing in efforts to buy out land encroachments,</p>

	<p>and development rights to avoid conflicts with base missions and operations, Texas communities do not have the tools needed – yet – to address concerns.</p> <p>A Department of Defense report stated: “Wind turbines in close proximity to military training, testing, and development sites and ranges can adversely impact the “train and equip” mission of the Department. Existing processes to include engagement with local and regional planning boards and development approval authorities should be employed to mitigate such potential impacts.”</p>
<p><b><i>Proposed Solution:</i></b></p>	<p><i>Expand the authority of the existing Joint Airport Zoning Boards to 25 nautical (air) miles from federally- or military-owned radar. This will empower the JAZB to address interferences to navigational hazards in this expanded area.</i></p>
<p><b><i>Fiscal Impact:</i></b></p>	<p><i>None</i></p>

**CATEGORY: PRIORITY**

**Seek funding to protect Texas military installations from future budget cuts or BRAC-like actions by improving operational efficiency, enhancing the strategic military mission, or eliminating potential incompatible land uses near Texas military bases.**

<p><b>Problem Description:</b></p>	<p>The next round of Base Re-alignment and Closure (BRAC) of military installations is anticipated to occur in 2015. There has been no statewide coordinated effort to protect Texas military installations by assisting with infrastructure improvements, such as electric, water and wastewater utilities, to improve operational efficiency; enhancing the strategic military mission of a base, or providing funding to purchase development rights and outright land purchases to remove encroachments that might threaten the future viability of a base.</p>
<p><b>Background:</b></p>	<p>Numerous states, including Alaska, Arkansas, Florida, Louisiana, North Carolina, Oklahoma, and Washington are actively investing in initiatives to strengthen the standing of military installations in those respective states prior to the next round of base re-alignment and closures. The Pentagon is expected to cut approximately \$487 billion over the next 10 years. The Army is expected to shrink from 562,000 soldiers to 490,000 soldiers. The Marine Corps is expected to shrink by 20,000 Marines to 182,000.</p> <p>Governor Rick Perry’s office is examining the possibility of recommending both statutory revisions and making appropriations to the Military Preparedness Council that would proactively assist military bases prepare and prevent BRAC actions in Texas.</p> <p>One model Texas could follow is called Florida Forever, which provides funds to acquire land and conservation easements near military installations that both protect important conservation areas and prevent encroachment. Additionally, they enhance Florida’s ability to attract federal Department of Defense Readiness and Environmental Protection Initiative (REPI) funds to help buffer military installations. Without the buffering, encroachment could make Florida bases vulnerable to closure.</p> <p>Naval Air Station-Corpus Christi, the Corpus Christi Army Depot and Naval Air Station-Kingsville not only have significant military value, but are major employers in the Coastal Bend. Military from all branches of the service, civil service employees and contractors now work at NAS Corpus Christi. The military’s regional economic impact has been measured at \$3.6 billion. The CCAD alone contributes about</p>

	<p>12 percent of the local Corpus Christi economy, with a \$2.171 billion economic impact. However, there are challenges, such as incompatible land use encroachments, aging infrastructure, and competition for pilot training from other bases.</p> <p>Texas efforts have previously assisted communities impacted by after BRAC decisions to close military bases in Texas (for example, Kelly Air Force Base and Naval Station Ingleside). It has fallen to local governments and community organizations to fund efforts to protect individual military bases. A recent study by Texas A&amp;M University-Corpus Christi’s College of Business and EDA University Center on the impacts to San Patricio County from the previous BRAC that closed Naval Station Ingleside stated:</p> <p>“Historical data depict a vivid picture of the impact of the closure of Naval Station Ingleside on San Patricio County, which witnessed a loss of over 3,000 residents during that process. In addition to those jobs eliminated directly by the federal government, the county lost more than 850 jobs, or about 3 percent of its workforce. While the actual impact seemed more tenuous than most forecasts, the economic pain felt by local residents and business owners far exceeded their gains in tax savings from BRAC.”</p>
<p><b><i>Proposed Solution:</i></b></p>	<p><i>The State of Texas should seek statutory revisions and appropriate funds through the Governor’s Office Military Preparedness Council to assist with initiatives that will improve operational efficiency, enhance the strategic military mission, or eliminate potential incompatible land uses near Texas military bases. State leaders should be actively engaged in lobbying to protect Texas military bases and are encouraged to committee the financial and personnel resources to lead the charge.</i></p>
<p><b><i>Fiscal Impact:</i></b></p>	<p><i>Varies depending on the level of appropriation from the State, any local funds leveraged, and the needs of the individual military bases in Texas.</i></p>

**CATEGORY: PRIORITY**

**Give local governments access to a variety of financing tools, and remove any restrictions that limit flexibility to use economic incentives to address community-specific transportation infrastructure needs through all project phases.**

**Problem Description:**

As the population of Texas grows, the need for new transportation infrastructure to address congestion and improve mobility and connectivity is not being met by the existing funding system. An average of 30,000 more vehicles are added to Texas roads every month due to population growth. Total miles traveled and population growth far exceed the growth in new highway capacity.

The state tax on gasoline and diesel has not been raised in more than 20 years and inflation has reduced its purchasing power by 40%. The state (TxDOT) is about to run out of borrowing capacity for its highway projects. Funding options for local governments that are willing to take on a bigger share of the transportation infrastructure demand are limited by statute.

Famed Texas economist Ray Perryman said: "...The quality of roadways affects productivity and quality of life through time lost sitting in traffic. As traffic congestion worsens, it can have a negative effect on future development across a spectrum of industries..."

**Background:**

According to the Texas Department of Transportation (TxDOT), the state's main source of highway funding, the 20-cent-per-gallon motor fuel tax, is generating only about \$2.6 billion a year -- far less than adequate for a state that, by one estimate, needs \$14 billion a year to keep up with growth in population and jobs. One option is to raise vehicle registration fees by \$50 a year, which is estimated to yield about \$1.1 billion in added annual revenue. The Texas Association of Business supports increasing the state vehicle registration fee. Several key lawmakers, including new Senate Finance Committee Chairman Senator Tommy Williams and House Transportation Committee member Representative Drew Darby expressed support for the increase publicly.

TxDOT believes solving the state's current funding problems will require a multi-level approach, with all Texans involved in the planning process. One study indicates that Texas should be



	<p>investing more than \$19 billion each year (on average) in the state’s highways, transit, aviation, marine, rail, bicycle, and pedestrian systems to meet the anticipated growth in population, trade, and related traffic expected between now and 2035.</p> <p>The current Texas constitution does not allow counties to issue bonds for transportation infrastructure projects. The 82<sup>nd</sup> Texas Legislature proposed a constitutional amendment (HJR 63/Proposition 4) in 2011 to authorize counties to use this important financing tool to expand and improve transportation options for local communities, but it was defeated by voters (59.73% against to 40.26% for). This financing tool may be resurrected with revisions during the 83<sup>rd</sup> Regular Legislative Session in 2013.</p> <p>Other funding options have been up for discussion during previous legislative sessions and during the interim, including:</p> <ul style="list-style-type: none"> <li>• increasing the statewide motor fuels tax by adjusting it to annual inflation;</li> <li>• local-option motor fuels tax;</li> <li>• local-option vehicle registration fee;</li> <li>• replacing the existing motor fuels tax with a vehicle miles traveled tax;</li> <li>• shifting the motor vehicle sales tax to highway construction;</li> <li>• expanded authority to use public-private partnerships;</li> <li>• additional state and local bonding authority;</li> <li>• establishing transportation reinvestment zones;</li> <li>• toll roads.</li> </ul> <p>In the Coastal Bend, the replacement of the Harbor Bridge is a prime example of a project that could benefit greatly if cities and counties were given access to a variety of financing and revenue generating tools and were empowered to tailor community-specific strategies to partner with the Texas Department of Transportation on everything from right-of-way acquisition, engineering, design, permitting, construction, and maintenance.</p>
<p><b><i>Proposed Solution:</i></b></p>	<p><i>The Legislature should expand the authority given to and remove any unnecessary statutory restrictions for cities, counties, regional mobility authorities, or other local governmental entity to enact any revenue-generating and innovative financing tool that would assist with any and all</i></p>

	<i>phases of a transportation infrastructure project.</i>
<b><i>Fiscal Impact:</i></b>	<i>To be determined.</i>

**CATEGORY: PRIORITY**

**Exempting Corpus Christi Aquifer Storage and Recovery District from certain provisions requiring development of a “Desired Future Condition” of the aquifer in Chapter 36, Water Code.**

<p><b>Problem Description:</b></p>	<p>Current Water Code requires all groundwater conservation districts (GCDs) to establish every five years the desired future condition of the aquifer from which the GCD draws its water.</p> <p>The desired future condition process requires extensive groundwater availability modeling, studies, public hearings and notices, which is very expensive.</p>
<p><b>Background:</b></p>	<p>The Corpus Christi ASR District was created by the 79<sup>th</sup> Texas Legislature in 2005 by Senate Bill 1831. It became effective on June 17, 2005.</p> <p>The requirement in Chapter 36, Water Code, to establish the Desired Future Condition of an aquifer, was created by the 79<sup>th</sup> Legislature in 2005 by House Bill 1763. It became effective on September 1, 2005.</p> <p>The Corpus Christi ASR District is the only ASR District in Texas. The El Paso Public Service Board, the San Antonio Water System and the Kerr County GCD all have ASR projects, but not districts.</p> <p>The purpose of the Corpus Christi ASR District is to use the Gulf Coast aquifer to store surface water transported by pipeline and pumped into the aquifer. Sec. 8811.052, Special District Local Laws Code, prohibits recovering more water from the aquifer than the amount stored, so the District should not impact the desired future condition of the aquifer.</p> <p>The Corpus Christi ASR District fully participates and supports the desired future condition process for Groundwater Management Area (GMA) 16, which was submitted in 8/30/10.</p> <p>The Corpus Christi ASR District is prohibited from imposing a tax or issuing bonds, so it has no mechanism to pay for required modeling, studies, and notice requirements by the desired future conditions process.</p>

<b><i>Proposed Solution:</i></b>	<i>Amend the enabling statute for the CCASR District - Chapter 8811, Special District Local Laws Code - to exempt the District from the provisions in Chapter 36, Water Code, related to desired future conditions.</i>
<b><i>Fiscal Impact:</i></b>	<i>Will not result in any additional costs to the State of Texas or to GMA 16. By not performing aquifer modeling and engineering studies for desired future conditions, the Corpus Christi ASR District will save potentially thousands of dollars in cost-avoidance.</i>

**CATEGORY: PRIORITY**

**Validate actions of the Lower Nueces Water Supply District to protect City’s real property interests near Lake Corpus Christi.**

<p><b>Problem Description:</b></p>	<p>As part of its dissolution activities, the Lower Nueces Water Supply District (District) was supposed to transfer its assets to the City of Corpus Christi (City) by August 1, 1986. Documentation of the District formally conveying the assets back to the City have not been located. Recording of those real property asset transfers was completed, although not recorded at the count courthouse in Atascosa, San Patricio, Live Oak and Jim Wells counties for approximately 25 years due to records being inadvertently misplaced. Once discovered, the City properly recorded those transactions in the respective counties. To avoid any potential adverse possession claims against the City, a validation act is needed to perfect the land transfers from the now-dissolved District back to the City.</p>
<p><b>Background:</b></p>	<p>In 1949, the Lower Nueces Water Supply District was formed to serve as the financing vehicle for construction of the Wesley Seale Dam – the impounding dam for Lake Corpus Christi. The City of Corpus Christi conveyed certain of its land rights (fee simple title and easements) and other assets to the District and signed a note in the amount of \$2,071,165, all of which was confirmed by voters in an election on December 13, 1952. The City paid off the note and in 1985, State Senator Carlos Truan and State Representative Ted Roberts passed SB 1254 to require the District to discharge any remaining debts, convey all of its assets to the City by August 1, 1986, and then dissolve the District.</p> <p>Records of the District formally conveying the assets back to the City have not been found. Research in 2010 as part of lawsuit involving illegal construction of a dam on the City’s flood easement, uncovered boxes of missing real property transactions conveying District lands back to the City. The City immediately set out to have those transactions recorded in the respective county deed records.</p>
<p><b>Proposed Solution:</b></p>	<p><i>Passing a validation act confirming the City’s ownership of the original land as transferred by the District by August 1, 1986, will prevent any future claims of ownership by other parties.</i></p>

<b><i>Fiscal Impact:</i></b>	<i>None. It will save the future City legal expenses, but cutting off invalid land ownership claims.</i>
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**CATEGORY: PRIORITY**

**Create a dedicated funding source to implement long-term water management strategies in the 2012 State Water Plan.**

**Problem Description:**

The population of Texas is booming (expected to increase 82 percent between 2010 and 2060) and there is insufficient water supply to serve the municipal, irrigation, manufacturing, livestock, mining, and steam-electric power needs of that growing population. In addition, the State does not have a long-term, affordable and sustainable method of financing water management strategies in the State Water Plan.

**Background:**

According to the 2012 State Water Plan developed by the 16 regional water planning groups through the Texas Water Development Board (TWDB), in serious drought conditions, Texas does not and will not have enough water to meet the needs of its people, its businesses, and its agricultural enterprises.

The Coastal Bend Regional Water Planning Area includes 11 counties, portions of the Nueces River Basin, and its adjoining coastal basins, including the Nueces Estuary. The region's largest economic sectors are service, retail trade, government, and the petrochemical industry. Corpus Christi is the region's largest metropolitan area. The next largest cities in the region are Kingsville, Alice, Beeville, Portland, and Robstown.

The Coastal Bend Regional Water Planning Group recommended a variety of water management strategies to meet future needs including two proposed off-channel reservoirs, groundwater development, interbasin transfers of surface water from the Colorado River Basin, brackish and seawater desalination, re-use, and conservation. The total capital costs estimated to implement the recommended water management strategies in Region N is \$656 million.

According to the TWDB's legislative recommendation to the 83<sup>rd</sup> Texas Legislature:

*The estimated total capital cost of the 2012 State Water Plan, representing the capital costs of all water management strategies recommended in the 2011 regional water plans, is \$53 billion. Based on surveys conducted as part of the planning process, water*

*providers will need nearly \$27 billion in state financial assistance to implement strategies for municipal water user groups.*

*In response to the 2007 State Water Plan, the Legislature has authorized \$1.67B to provide funding for state water plan projects through three of the TWDB's financial assistance programs. To date, TWDB has provided over \$974,487,000 million in low-interest loans and grants to implement 35 projects through 44 loans or grants across the state. Once fully implemented, these projects will supply over 1.5 million acre-feet of water needed during times of drought to millions of Texans. In 2011, the 82<sup>nd</sup> Texas Legislature authorized adding funding to finance approximately \$100 million in state water plan projects. These funds will be available during state fiscal years 2012 and 2013. TWDB has also provided over \$500 million in funding to implement water management strategies recommended in the 2007 State Water Plan through other loan programs not specifically targeting State Water Plan projects.*

*The number of fully implemented projects today, 65, shows a significant increase from the 21 projects that the 2007 State Water Plan reported had been implemented from the 2002 State Water Plan. The implementation of many of these projects would not have been possible without the funding provided by the Texas Legislature through TWDB's financial programs.*

*A long-term, affordable and sustainable method of financing the State Water Plan is needed to increase implementation the State Water Plan and alleviate the reliance on general revenue to fund the Plan.*

If an entity seeks state assistance to implement a water management strategy in the State Water Plan, it would seek funding through three TWDB programs: the Water Infrastructure Fund, the State Participation Program, and the Economically Distressed Areas Program.

In previous legislative interim committee analyzed a number of funding options, but none have been enacted into law:

- a state sales tax increase;
- a water conservation and development fee;
- a water rights fee;



	<ul style="list-style-type: none"> <li>• a water connection fee; and</li> <li>• a sales tax on bottled water</li> </ul> <p>The City of Corpus Christi is a member of an organization known as H<sub>2</sub>O4Texas, which includes water customers and water providers, as well as representatives from the public and private sectors. H<sub>2</sub>O4Texas is committed to mobilizing public support for full implementation of the State Water Plan.</p>
<b><i>Proposed Solution:</i></b>	<i>No specific recommend, although a number of possibilities exist (see list above). However, the Texas Municipal League strongly opposes state tap fees imposed on municipal water systems.</i>
<b><i>Fiscal Impact:</i></b>	<i>To be determined.</i>

**CATEGORY: PRIORITY**

**Allow a County to use its Texas Enterprise Zone designations for a company that is in the extraterritorial jurisdiction of a City that is not in that County.**

**Problem Description:**

The current Texas Enterprise Zone statute prevents a county from designating a company to receive the benefit of the enterprise zone if the project is located in the extraterritorial jurisdiction (ETJ) of a city that is not located in the county that nominates the project. For example, San Patricio County is unable to nominate a company for enterprise zone benefits if that company will be located in Corpus Christi’s ETJ in San Patricio County.

**Background:**

According to the Governor’s Economic Development and Tourism Division, the Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state. Approved projects are eligible to apply for state sales and use tax refunds on qualified expenditures.

A distressed county is defined by statute as one that has a poverty rate above 15.4 percent; one in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate; and one that has an unemployment rate that has remained above 4.9 percent during the preceding five years.

The level and amount of sales and use tax refunds a qualified business may receive is related to the capital investment it makes and the jobs created at the qualified business site.

<b>MAXIMUM REFUND PER JOB ALLOCATION</b>			
\$40,000 – \$399,999	10	\$25,000	\$2,500
\$400,000 – \$999,999	25	\$62,000	\$2,500
\$1,000,000 – \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 – \$149,999,999	500	\$1,250,000	\$2,500
<b>Double Jumbo Project</b>	500	\$2,500,000	\$5,000

	\$150,000,000 – \$249,999,999			
	<b>Triple Jumbo Project</b> \$250,000,000 or more	500	\$3,750,000	\$7,500

A local community must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program. Texas law limits the number of allocations that may be awarded to local communities per biennium. Corpus Christi has nine (9) allocations. Nueces County and San Patricio County have six (6) allocations available each biennium. Corpus Christi always has more demand for enterprise zone allocations than spots available.

In order to qualify a project for the Enterprise Zone Program, local communities must offer incentives to the project such as tax abatement, tax increment financing, and one-stop permitting.

Communities may nominate projects, for a designation period up to five years, non-inclusive of a 90-day window prior to the application deadline. Employment and capital investment commitments must be incurred and met within this timeframe.

Two years ago, Rep. Connie Scott authored HB 1560 to allow a county to nominate for designation as an enterprise project a project by a qualified business that is located in the county and in the ETJ of a municipality primarily located in another county.

**Proposed Solution:** *Authorize a county to nominate as an enterprise project a project or activity of a qualified business that is located in the county in the ETJ of a city that is primarily located in another county.*

**Fiscal Impact:** *None. The bill could increase the number of enterprise project designations that could be made within the ETJ of certain municipalities, the total number of designations that could be made among municipalities and counties combined would not be increased. Therefore, no significant revenue implications are anticipated. The fiscal impact on local governments would vary depending on whether a county chose to use the maximum*

	<i>number of designations, but it is not anticipated to be significant.</i>
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**CATEGORY: PRIORITY**

**Allow Texas Enterprise Zone designations to be broken down into halves or quarters.**

**Problem Description:**

The current Texas Enterprise Zone statute is targeted to projects that promote job creation and significant private investment. The program only allows for full allocations, which limits a community's ability to recruit smaller scale, but still significant economic development projects. Allowing for full, half or quarter designations, a community has maximum flexibility to target economic development activities. The half or quarter designations would not apply to the double or triple jumbo designations.

**Background:**

According to the Governor's Economic Development and Tourism Division, the Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state. Approved projects are eligible to apply for state sales and use tax refunds on qualified expenditures.

A distressed county is defined by statute as one that has a poverty rate above 15.4 percent; one in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate; and one that has an unemployment rate that has remained above 4.9 percent during the preceding five years.

The level and amount of sales and use tax refunds a qualified business may receive is related to the capital investment it makes and the jobs created at the qualified business site.

<b>MAXIMUM REFUND PER JOB ALLOCATION</b>			
\$40,000 – \$399,999	10	\$25,000	\$2,500
\$400,000 – \$999,999	25	\$62,000	\$2,500
\$1,000,000 – \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 – \$149,999,999	500	\$1,250,000	\$2,500
<b>Double Jumbo Project</b>	500	\$2,500,000	\$5,000

	\$150,000,000 – \$249,999,999			
	<b>Triple Jumbo Project</b> \$250,000,000 or more	500	\$3,750,000	\$7,500
	<p>A local community must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program. Texas law limits the number of allocations that may be awarded to local communities per biennium. Corpus Christi has nine (9) allocations. Nueces County and San Patricio County have six (6) allocations available each biennium. Corpus Christi always has more demand for enterprise zone allocations than spots available.</p> <p>In order to qualify a project for the Enterprise Zone Program, local communities must offer incentives to the project such as tax abatement, tax increment financing, and one-stop permitting.</p> <p>Communities may nominate projects, for a designation period up to five years, non-inclusive of a 90-day window prior to the application deadline. Employment and capital investment commitments must be incurred and met within this timeframe.</p>			
<b>Proposed Solution:</b>	<i>Amend Chapter 2303, Government Code, to expand enterprise zone designation projects to full, half and quarter allocations to enhance a community’s ability to recruit smaller scale, but still significant economic development projects.</i>			
<b>Fiscal Impact:</b>	<i>Could be negative to General Revenue</i>			

**CATEGORY: PRIORITY**

**Constitutional amendment authorizing gaming at destination locations in Texas.**

**Problem Description:**

There are limited types of legal gaming in Texas. Texas exports billions in revenues to other states, thousands of jobs and misses an economic development opportunity by prohibiting casino gambling. Casino gambling can only become legal by amending the Texas Constitution, which requires a 2/3rds vote of both chambers (House and Senate) and a majority vote by the voters of Texas in a constitutional amendment election.

**Background:**

The Texas Gaming Association states: “According to some estimates, Texans spend close to \$3.5 billion annually in other states enjoying casino gaming destinations.” Texans make up nearly 44 percent of the gaming market in Louisiana and almost 37 percent of the market in Oklahoma. Over 80 percent of Texans live within a three hour drive of a casino, not including horse and greyhound racetracks. According to the most recent comprehensive data available, in 2007, over 2.6 million Texans visited Las Vegas spending a total of \$3.8 billion during their stay in the Las Vegas market.

A number of gaming and tourism websites reference studies that estimate that in 2009 casinos located adjacent to Texas generate the following revenues:

- New Mexico, \$1.03 billion;
- Oklahoma, \$3.21 billion, and
- Louisiana, about \$2.5 billion.

It is believed that much of this revenue is from Texans crossing over to neighboring states. A 2007 study reported that approximately 2.6 million Texans travelled to the city of Las Vegas and were estimated to have spent nearly \$3.8 billion dollars during their stay.

The State of Texas regulates three games of chance: pari-mutuel wagering on horses and dogs, bingo and the state lottery. Pari-mutuel wagering on horses and dogs was approved by the voters of Texas in 1987. In 2000, the industry reached a peak with attendance of 3.3 million and wagering of \$633 million on live and simulcast racing. The industry was hit in 2001 with the negative impacts of 9/11 and significantly increased competition from tracks in the surrounding states. By 2009, track attendance in

	<p>Texas had declined 35 percent from 2000 while wagering had plummeted 37 percent. The lottery was authorized by voters in 1991 and the lottery sales began in 1992.</p> <p>Off-shore casino gambling was passed by the Texas Legislature in 1991. The Texas Treasure cruise ship operated out of Port Aransas and Aransas Pass from late 2000 to May 2008.</p> <p>During the 82<sup>nd</sup> Regular Session in 2011, a Rep. Chente Quintanilla of El Paso authored House Joint Resolution (HJR) 43 to authorize the Texas Legislature to legalize and regulate the conduct of gaming in the State of Texas. Gambling would be legalized in counties that by local option elections approve of the conduct of gaming in their county. This would allow the idea of gaming to be handle on a county by county basis, much like the way counties throughout the state have chosen to be either dry or wet counties in relation to the sale of alcohol.</p>
<p><b><i>Proposed Solution:</i></b></p>	<p><i>Propose a constitutional amendment to the voters of Texas authorizing casino gambling in Texas as a way to raise new state revenue. Allow the state to license and regulate large, resort-style casinos throughout the state that would offer slot machines and traditional casino games. Allow slot machines at the state’s existing pari-mutuel racetracks (such as Gulf Coast Racing Track in Corpus Christi), bingo halls, and facilities operated by Texas’ Native American tribes.</i></p>
<p><b><i>Fiscal Impact:</i></b></p>	<p><i>The cost to hold a statewide constitutional amendment election could cost state and county governments five million dollars or more, depending on the number of amendments proposed, the number of ballots to be printed, costs for publications and salaries for election personnel.</i></p>



**CATEGORY: PRIORITY**

**Eliminate or reduce the population threshold in the Local Government Code and Government Code to allow smaller municipalities flexibility in contracting available to larger municipalities.**

**Problem Description:**

Eliminating or reducing the population thresholds in two statutes (Sec. 252.048, Local Government Code, dealing with change orders for public works contracts and Sec. 2267.354, Government Code, dealing with limitations on the number of design-build projects) will give smaller cities (or at least those of 300,000 or more) the same flexibility that larger cities of 500,000 or more have in contracting.

Currently, cities of less than 500,000 are permitted to have fewer design-build public works contracts and are not limited in the dollar volume of change orders an administrative officer can approve. Mid-size cities, like Corpus Christi, have the contracting expertise and project management experience, to award more design-build contracts and approve larger change orders just like larger cities of 500,000 or more. The population bracket limitation is arbitrary and adds costly and unnecessary delays to public works projects.

**Background:**

Change Orders

In 1973, the Legislature first authorized a change order for a public works project by an administrative official if the change order increased or decreased by \$5,000 or less. The Legislature changed increased the charge order approval level to \$15,000 in 1981, to \$25,000 in 1995, and finally to \$50,000 in 2011. A different bill in 2011 allowed cities of 500,000 or more to approve change orders on public works projects of \$100,000 or less. From 1973 to 2011 (38 years), the only limitation on an administrative official's ability to approve a change order was the dollar size of the change order - not the population size of a city.

Limiting administrative approval of public works change orders causes unnecessary and costly delays to projects. For almost 40 years, cities have had the statutory authority and managed administrative approval of contract change orders without the population bracket limitations. The City of Corpus Christi routinely handles administrative

	<p>approval of change orders, but the arbitrary population bracket limitation handcuffs City staff on larger public works contracts.</p> <p><i>Design-Build</i>  In 2007, the 80<sup>th</sup> Texas Legislature passed HB 1886 authorizing cities, counties, special districts and authorities to use design-build for civil works projects, including: roads and streets; bridges; utilities; water supply projects; water and wastewater plants; water distribution and wastewater conveyance facilities; airport runways and taxiways; storm drainage and flood control projects; and transit facilities. The bill had a scheduled phase-in and population brackets that allowed larger cities with more resources to implement the program first and provide experience and examples for smaller entities.</p> <p>For the first four years of the scheduled phase-in (2008-2012), a governmental entities of certain populations are limited in the number of design-build projects they can enter into --</p> <p>500,000 or more - three (3);  100,000 or more, but less than 500,000 - two (2).</p> <p>After the first four years of the scheduled phase-in (2013 and beyond), a governmental entities of certain populations are limited in the number of design-build projects they can enter into –</p> <p>500,000 or more - six (6);  100,000 or more, but less than 500,000 - four (4).</p> <p>The City has pursued design-build projects under HB 1886. Design-build is a process the City is eager to pursue for a number of high profile projects that are under discussion and negotiation, but for which details cannot be released at this time. Being limited to four projects for the foreseeable future will hinder its ability to maximize its economic development and public works plans.</p>
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<p><b><i>Proposed Solution:</i></b></p>	<p><i>Two options:</i></p>
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	<p>(1) <i>Eliminate the population brackets in the Local Government and Government Codes,</i> <i>OR</i></p> <p>(2) <i>Change the population threshold to 300,000 or more (down from 500,000).</i></p>
<p><b><i>Fiscal Impact:</i></b></p>	<p><i>None</i></p>

**CATEGORY: PRIORITY**

**Amend Chapter 451, Transportation Code, to change city appointment to rapid transportation authority board representing transportation disadvantaged individuals.**

<p><b>Problem Description:</b></p>	<p>The statute does not require a city to appoint someone who is transportation disadvantaged (i.e. elderly, persons with disabilities or low-income individuals) to serve on metropolitan rapid transit authority board. The statute authorizes a city to appoint someone to “represent the interests” of a transportation disadvantaged individual.</p>
<p><b>Background:</b></p>	<p>Chapter 451, Transportation Code, affects the Cities of Austin, Corpus Christi, Houston, and San Antonio, and their appointment to the rapid transit authority serving their respective municipality (Capital Metro, the B, Metro and VIA).</p> <p>Corpus Christi resident and long-time disability rights advocate Abel Alonzo believes transportation disadvantaged individuals deserve to represent themselves on the transit authority boards. Previous councils have appointed non-transportation disadvantaged individuals to the board.</p>
<p><b><i>Proposed Solution:</i></b></p>	<p><i>Amend Section 451.502 (g), Transportation Code, by deleting “...designated to represent the interests of the...” so that cities will be required to appoint at least one transportation disadvantaged individual to the transit authority board.</i></p>
<p><b><i>Fiscal Impact:</i></b></p>	<p><i>None</i></p>

**CATEGORY: PRIORITY**

**Stop non-transportation-related diversions from Fund 6 (State Gas Tax).**

<p><b>Problem Description:</b></p>	<p>Previous legislatures have taken state gasoline taxes that could have been used to pave new roads, ease traffic congestion, or improve transportation infrastructure, have instead been appropriated to supplement other state agency budgets.</p>
<p><b>Background:</b></p>	<p>Every year \$700 million is diverted from the State Highway Trust Fund to non-transportation related purposes. These diversions combined with the \$1.3 billion in debt service that TXDOT pays every year, is further slowing our state’s ability to build and maintain roadway infrastructure. The Chambers support the elimination of diversion for all non-transportation programs that are not directly associated with the maintenance and expansion of the state highway system, except for the 25 percent diversion to education required by the Texas Constitution.</p> <p>Fund 6 is the state’s primary highway funding mechanism, collecting the vast majority of highway-related revenue from federal reimbursements, state motor fuels taxes, motor vehicle registrations, and various fees. The Legislature may appropriate funds from Fund 6 for various highway-related purposes, in accord with constitutionally and statutorily established limits. State statutes further restrict the dollar amount of bonds that may be issued on the fund’s credit, and the Texas Constitution requires that revenue from Fund 6 be used to pay minimum necessary debt service on bonds and other public securities secured by Fund 6.</p>
<p><b>Proposed Solution:</b></p>	<p><i>Appropriate adequate General Revenue to state agencies so that all Fund 6 revenues can be appropriated, as required, to its intended purpose – public education and transportation.</i></p>
<p><b>Fiscal Impact:</b></p>	<p><i>The Legislature must decide where to appropriate General Revenue Funds to pay for non-transportation-related services and protect the constitutionally-dedicated state gasoline taxes.</i></p>