

**RESOLUTION OF THE CITY OF CORPUS CHRISTI, TEXAS
SUPPORTING THE INTRODUCTION OF LEGISLATION AUTHORIZING A MOTOR
FUEL TAX ON A LOCAL OPTION BASIS FOR RESIDENTIAL STREET FUNDING**

WHEREAS, The City of Corpus Christi has approximately 1,234 miles of streets, including approximately 852 miles of residential streets; and

WHEREAS, Over the years, numerous factors, including funding constraints and new street miles being added to the city's inventory at a faster rate than the growth of the tax base and population, have resulted in deferred maintenance of city streets, and furthered deterioration of the street infrastructure; and

WHEREAS, Street maintenance has been deferred to the point that 48% of City residential streets are considered to be in "Fair" and "Good" condition and 52% are considered to be in "Poor" condition. It is important for the City to prevent the Good streets from further deterioration; and

WHEREAS, In 2013 and 2015, the City of Corpus Christi's legislative priorities for the 83rd and 84th Regular Sessions of the Texas Legislature included seeking statutory authority to generate additional revenues for street maintenance and repair, but to date, has not been successful in getting legislation filed; and

WHEREAS, In October 20, 2015, the City Council passed a resolution approving the formation of an Ad Hoc Residential Street Infrastructure Advisory Committee to develop a Residential Street Reconstruction Plan; and

WHEREAS, In its final report presented to City Council on June 21, 2016, the Ad Hoc Residential Street Infrastructure Committee found that the amount of money that the City would have to spend to maintain and replace residential streets on a 60-year cycle would be approximately **\$71 million per year**; and

WHEREAS, The current City budget does not have sufficient funding to fully fund residential street repairs; and

WHEREAS, On January 10, 2017, The City Council adopted its legislative policy priorities that included support of legislation that would allow local governments and/or voters to consider additional funding options for cities to address streets that are not otherwise met by current funding sources; and

WHEREAS, Sales of gasoline and diesel fuel are subject to State tax of 20 cents per gallon per Sections 162.102 and 162.202 of the Tax Code and sales of compressed natural gas are subject to State tax of 15 cents per gallon per Section 162.353; and

WHEREAS, Sales of gasoline, diesel, and compressed natural gas are exempt from state and local sales tax per Tax Code Sections 151.308 and 321.208; and

WHEREAS, Tax Code Section 162.001 (42) defines “Motor fuel” as “gasoline, diesel fuel, gasoline blended fuel, compressed natural gas, liquefied natural gas, and other products that are offered for sale, sold, used, or capable of use as fuel for a gasoline-powered engine or a diesel-powered engine” and

WHEREAS, Sales of gasoline and diesel fuel in the State of Texas in 2016 amounted to approximately \$ 3.6 Billion in revenue to the State, with Zero revenue allocated for local residential streets; and

WHEREAS, The Texas Legislature has previously approved legislation for local option elections; and

WHEREAS, The City believes that the most fair methodology to pay for residential street repairs is a local option motor fuel tax, which makes users of the roads pay for the maintenance and repair of the City street network; and

WHEREAS, It is estimated that a local option motor fuel tax of 1 cent/gallon could yield an estimated \$2.5 Million additional annual revenue for residential streets for the City of Corpus Christi;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

Section 1. That the Corpus Christi City Council hereby supports the introduction of legislation authorizing a motor fuel tax on a local option basis for residential streets.

Section 2. That the Corpus Christi City Council hereby requests that the City’s legislative delegation file legislation to authorize a motor fuel tax on a local option basis for residential streets.

Section 3. That a copy of this Resolution be provided to the City’s legislative delegation.

Attest:

City of Corpus Christi

Rebecca Huerta, City Secretary

Dan McQueen, Mayor

Corpus Christi, Texas

_____ of _____, _____

The above resolution was passed by the following vote:

Dan McQueen _____

Rudy Garza _____

Paulette Guajardo _____

Michael Hunter _____

Joe McComb _____

Ben Molina _____

Lucy Rubio _____

Greg Smith _____

Carolyn Vaughn _____