

88TH LEGISLATIVE SESSION

LEGISLATIVE AGENDA

EXECUTIVE SUMMARY

Transportation is about where we want to be and how we get there. It is the lifeline for our daily needs, and it is the backbone of our economy – providing access to healthcare, education, jobs, goods movement and more. The world stopped with the onset of COVID-19 but our infrastructure kept going, kept moving and kept working. We must continue to prioritize investments in mobility as population increases, technology advances, and our economy recovers. For every \$1 billion invested in transportation, 13,000 jobs are created.

OUR POSITION

TAG leads the advocacy for transportation funding needs on behalf of the entire Houston region – a region spanning an area larger than 5 States with a rapidly expanding, internationally competitive market of 6.7 million people, projected to reach over 11 million by 2040.

We remain committed to seeking bold and innovative ways of ensuring we invest in our regional infrastructure so we can continue to **deliver** goods through our ports and on our roads, **power** our homes and daily lives through our leading energy and tech sectors, **fuel** our need for human interaction and movement across all modes, and **heal** the world through connectivity and access to our renowned Texas Medical Center.

TAG PRIORITIES

PRIORITY 1: Establish an additional registration fee for alternative fueled vehicles (AFVs) with periodic escalations to account for increases in costs over time

- Non-electric vehicle owners pay the 20-cent state fuel excise tax when they fill up at the pump
- Electric vehicles owners do not pay the 20-cent excise tax, thus they do not pay into the road fund
- Fuel tax revenues already do not keep pace with the rising road construction costs and thus pay for little more than maintenance and not covering costs for new projects needed to meet growth demands
- 31 states impose a special registration fee for plug-in vehicles, according to the National Conference of State Legislatures. Of those, 18 states also assess a fee on plug-in hybrid vehicles.
- Rep. Ken King, R-Hemphill, has filed HB820 that would impose an additional fee for the registration and renewed registration of electric and hybrid vehicles
 - Allow for collection of an additional fee of \$200 for electric vehicles and \$100 for hybrid vehicles.
 - Estimated to raise \$280 million during the 2024-25 biennium

REQUESTED ACTION: Pass HB 820 (King) amended to include price indexing



TAG PRIORITIES

PRIORITY 2: Capitalize the Texas Rail Relocation and Improvement Fund

- The Railroad Relocation and Improvement Fund was authorized by the Texas Legislature in 2005 with the Texas Department of Transportation as the administering agency, but has never been funded
- Texas ranks highest for the number of train collisions in the country, according to the latest full-year statistics from the Federal Railroad Administration
- Harris County had the greatest number of highway-rail incidents totaling 28 in 2020, followed by Tarrant with 16, Bexar with eight and Dallas with seven

REQUESTED ACTION: Allocate meaningful dollars to the Texas Railroad Relocation and Improvement Fund during the 2023 legislative session and continue funding each biennium

PRIORITY 3: Extend or eliminate the sunset date for Proposition 1

- Proposition 1 was strongly supported by Texas voters when the measure was passed in 2014 with 80% of voters supporting the measure
- Pursuant to Section 49-g(c), Article III, Texas Constitution, the funds may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads
- Over the last nine years the annual amount deposited into the State Highway Fund (SHF) averaged \$1.5 billion
- With the Texas population increasing by 1000 new citizens daily the need for mobility improvements continues to grow rapidly
- Proposition 1 funding is a critical part of SHF dollars as it provides more diversity in the origin of funding which keeps the SHF funding more stable year to year

REQUESTED ACTION: Pass SB 225 (Nichols)

PRIORITY 4: Extend or eliminate the sunset date for Proposition 7

- On November 4, 2015, Texas voters showed their strong support for Proposition 7 with 83% of voters supporting the measure
- Since that time the need for mobility improvements have continued to grow. When the 2030 Committee Report on Texas Transportation was published in 2009 it noted that Texas had experienced 30 years of increasing congestion
- The Texas A&M Transportation Institute congestion study for 2022 reported 382 million hours of delay, 139 million gallons of wasted fuel, and \$9.6 million in congestion related costs showing that congestion on Texas roadways continues to increase
- The dollars provided by Proposition 7 are a critical part of the state transportation plans to address the growing congestion problems and improve safety and quality of life for all Texans

REQUESTED ACTION: Pass SCR 2 (Nichols)

PRIORITY 5: Prioritize approval and funding for Texas Clear Lanes regional projects that improve safety, reduce flooding, and address congestion such as the NHHIP

- Texas Clear Lanes (TCL) is a statewide strategic plan to provide congestion relief through non-tolled roads and is focused on five major metro areas: Austin, Dallas, Fort Worth, Houston, and San Antonio
- The Houston Region alone has 5 TCL projects in active construction, with a total construction value of approximately \$815M
- The NHHIP (I-45) is eligible for the TCL initiative as the corridor has 5 roadway segments within the Top 10 Most Congested Roadway Segments across the state. The Texas Transportation Commission has committed over \$5 billion in funding to the NHHIP, nearly half of which comes from the TCL initiative.
- The NHHIP has been in development for more than 15 years and received environmental approval in early 2021 to proceed to design and construction. Currently, the project is on pause due to an active investigation by the Federal Highway Administration. TxDOT remains fully committed to working with FHWA and local officials on an appropriate path forward.
- In January 2023, TxDOT reached common ground with Harris County and the City of Houston by way of signed MOUs with each entity signaling their support for the project to move forward. As a result, the Harris County lawsuit has been dismissed.
- TxDOT continues to work with FHWA to resolve the Title VI Investigation and for the project pause to be lifted which would allow project development to resume
- Return on Investment: for every \$1 spent on the NHHIP construction, the Houston region would realize a \$7 return on this critical infrastructure investment. The ROI benefits include additional local revenues for further community investments, environmental improvements stemming from less idling due to reduced roadway congestion, tens of thousands of new direct and indirect jobs and savings to the community due to better, safer and more reliable travel times.
- Construction costs have increased year over year by a minimum of 20% and the NHHIP has not been spared since the FHWA project pause which is approaching the two year mark

REQUESTED ACTION: Support Governor Abbott and TxDOT to encourage Secretary Buttigieg and FHWA to immediately release the **NHHIP** project to proceed with further development

PRIORITY 6: Index the fuel tax to ensure major funding for transportation and education are not eroded by inflation

- Since 1923, Texas has relied on revenue from collection of motor fuels excise taxes to build and maintain the state highways, roads and bridges
- In 1991, the rate was set at 20 cents per gallon, but was not indexed to the Highway Cost Index or the Consumer Price Index (CPI)
- Since 1991, the purchasing power of the motor fuels tax has decreased every year due to inflation and currently only pays for maintenance and not for expansion of the state system
- This resulting gap in buying power has resulted in Texas turning to other funding tools to fill the gap such as borrowing from the federal government, tolling, the Texas Mobility Fund, and Propositions 1 and 7
- Texas has increasingly turned to bonds as a means of financing transportation improvements as the fuel tax has lost purchasing power. Texas could help slow a growing trend of using the “credit card” to pay for roadway projects by indexing the state motor fuels tax

REQUESTED ACTION: Introduce and pass a bill to index the state motor fuels tax to the Highway Cost Index or the Consumer Price Index (CPI)

Find out what the Transportation Advocacy Group is all about! Scan the QR code below to visit www.taghouston.org or contact Christina Cabral at christina.cabral@taghouston.org.

