

SUBJECT: El Paso County mass transit authority

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 5 ayes — Hill, Bailey, Ehrhardt, Staples, Tillery
0 nays
1 present, not voting — Thompson
3 absent — Conley, Davila, Woolley

SENATE VOTE: On final passage, April 28 — 31-0

WITNESSES: None

BACKGROUND: The City of El Paso city transit department, Sun Metro, levies a 0.5-cent sales tax to fund its operations and also receives some federal funds.

DIGEST: SB 1388 would authorize creation of a countywide mass transit authority to serve El Paso County, and the dissolving of Sun Metro, if the county commissioners court, the El Paso city council and the city council of at least one other city in the county besides El Paso adopted a resolution creating the authority and voters outside the city approved.

The authority could not be created if the 0.5-cent city transit tax rate, when added to the county sales tax rate or the rate of any political subdivision in the county, exceeded 2 percent.

An unpaid seven-member authority board would administer the authority. The board would be composed of two members appointed by the county commissioners court, four members appointed by the El Paso city council and one member appointed by the governing bodies of all cities that adopt the resolution to create the authority.

The board would be required to propose a service plan and initial tax rate of 0.5 cents for the authority. The board would be required to hold an election in the county, except within the City of El Paso, to approve the

authority and the tax rate. If a majority of the voters approved the issue, the board would adopt the service plan and Sun Metro would be dissolved and its assets, personnel and obligations transferred to the mass transit authority on the day the sales tax went into effect. If the issue did not receive a majority vote, the board would be required to adopt an order dissolving the authority and Sun Metro would not be affected.

The bill would allow the authority, if created, to lower the sales tax by order or by calling an election. The tax could only be 0.25 cents or 0.5 cents and could not cause the sales tax of any political subdivision in the county to be more than 2 percent.

The board would be allowed to call an election on the question of dissolving the authority and would be required to dissolve the authority if the issue received a majority vote. The governing body of a political subdivision could call an election to withdraw from the authority no more than once a year. Also, a withdrawal election could be called based on a valid petition.

The bill would take effect September 1, 1995.

**SUPPORTERS
SAY:**

Citizens who live in El Paso County need public transportation, and expanding the city transit department into a countywide transit authority would benefit all the people in the El Paso region. New industry is locating outside the El Paso city limits, and public transit will be needed to get people to and from these new jobs. People's livelihood could depend on this transport.

This bill is totally permissive. No authority could be created without the approval of the El Paso City Council, the county commissioners and one other city in the county. A majority of the members of the authority board would be appointed by the city council, and could even be city council members. The city would still dominate and control mass transit in the city and county.

Federal funds that could have been used to fund public transportation in the county area outside the city have dried up. Creating a mass transit authority that takes in Sun Metro would be the most efficient way to create

a transit system and is the only viable option for funding countywide service. In a recent poll in El Paso, 68 percent favored consolidating public services to save money while expanding the service base.

The political subdivisions in the county are not taxing at the maximum rate and would be able to pay the 0.5-cent transit tax.

Although the authority board would not be directly elected officials, as city council members are in the case of Sun Metro, the entities appointing the members are composed of elected officials, and in fact could appoint one of their members to the board. Transit authority boards across the state are appointed, and this has never been a problem.

OPPONENTS
SAY:

This proposed transit authority would transfer city assets to a non-city authority. Ninety-five percent of the people in El Paso County live in the city, and this new authority would demand that they subsidize county transit. City dwellers would pay 95 percent of the taxes required to maintain a larger and more expensive transit system. Transit in the county would be much more expensive than city transit because of longer distances and fewer riders. It would be better for the county to contract with a private company to provide county transit than to subsume Sun Metro into an unproven agency.

Sun Metro receives federal funding, and it would be difficult to transfer the assets and employees to another entity. The federal department of transportation would not allow such a move. Furthermore, the employees of Sun Metro are city employees, and moving them to another authority could have unforeseen consequences, especially with regard to retirement considerations.

The city was never consulted about this bill and does not want to lose control of its transit authority. Transit authority money is used to repair city streets that are damaged by bus traffic. There is no guarantee that this revenue would be available to the city from the new transit authority.

Most of the political subdivisions in the county are taxing at the maximum level and would have to call tax rollback elections in order to participate in the transit system.

The board would be appointed and not directly elected, which would lessen the direct responsibility the board members would have to the taxpayers and the transit riders.