

SUBJECT: Duties and administration of county transportation authorities

COMMITTEE: Transportation —favorable, without amendment

VOTE: 6 ayes — Krusee, Phillips, Callegari, Deshotel, Hamric, Hill
0 nays
3 absent — Casteel, Flores, West

WITNESSES: For — F. Charles Emery, Denton County Transportation Authority
Against — None

BACKGROUND: HB 3323 by Solomons, enacted in 2001 by the 77th Legislature, authorized the creation of Coordinated County Transportation Authorities in counties that are adjacent to counties containing cities with populations greater than one million. These include the following counties bordering Bexar, Dallas, Harris, and Tarrant counties — Rockwall, Kaufman, Ellis, Johnson, Parker, Wise, Denton, Collin, Comal, Guadalupe, Wilson, Atascosa, Medina, Bandera, Kendall, Montgomery, Liberty, Chambers, Galveston, Brazoria, Fort Bend, and Waller.

Each county transportation authority is governed by a board of directors, which includes members representing cities in the county. The board includes one member from each city with a population greater than 12,000, three members from unincorporated areas of the county, and three members from cities with populations between 5,000 and 12,000.

Boards of directors are required to develop service plans that detail their transportation plans for the county. A service plan must be approved by each city council in cities with populations greater than 12,000. Voters ultimately have the authority to accept or reject the transportation authority and corresponding service plan in a countywide election.

HB 3323 granted certain powers and duties to county transportation authorities, including the ability to:

- levy taxes with voter approval;
- acquire, construct, develop, plan, own, operate, and maintain a public transportation system in a county;
- enter into transportation projects with cities and counties that would provide services outside a county;
- lease public transportation systems to an operator;
- contract with political subdivisions or governmental entities to provide public transportation services;
- issue bonds for the acquisition, construction, repair, improvement, or extension of an authority's public transportation system; and
- determine routes of the public transportation system.

Currently, the Denton County Transportation Authority (DCTA) is the only transportation authority in Texas. The DCTA is in the process of developing a regional passenger rail project in conjunction with Dallas Area Rapid Transit (DART).

DIGEST:

HB 1986 would grant additional powers to county transit authorities and make administrative changes regarding their structure and organization. It would give each county transit authority the following additional powers:

- the authority to enter into agreements with the Texas Department of Transportation (TxDOT) to construct and operate toll lanes on state highways;
- the ability to operate, maintain, or manage transportation projects outside of its county that would benefit citizens in its county; and
- the authority to issue revenue bonds in addition to general obligation bonds.

The bill also would stipulate that an authority could not use federal funds or appropriated state funds in an effort to influence or affect the award or outcome of a contract, loan, or cooperative agreement.

The bill would authorize the board to increase the population threshold above which each city with a population of 12,000 or more would be entitled to one board member in increments of no more than 5,000 people each year. A city that already had appointed a member to the board would not lose representation due to increases in the population threshold. For cities between 5,000 and 12,000, the bill would allow a county judge to

appoint an interim member to the board of directors until a vacancy was filled.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

HB 1986 would help accelerate the completion of public transportation projects by facilitating the smooth operation of county transportation authorities. This includes granting these authorities the power to cooperate with TxDOT on the construction of toll projects to increase capacity on state highways. Toll-related financing is essential to the timely completion of transportation projects that rapidly growing counties outside the state's major cities require.

In addition, expanding the authority of county transportation authorities would help relieve traffic congestion and improve air quality. The bill would allow transportation authorities to jump-start transportation projects in neighboring areas that need improved transportation infrastructure but do not have the means to embark alone on such projects. Such authority would benefit the citizens in both counties.

Recent trends in population growth in counties adjacent to counties that contain major Texas cities have created a need to redesign the composition of the boards of directors governing county transportation authorities. When county transportation authorities first were envisioned, the population threshold of 12,000 citizens was adequate to ensure boards would be of reasonable size. However, as population growth has increased dramatically in towns outside of large cities, it has become necessary to raise this threshold in order to prevent boards of directors from becoming too large.

The author plans to address concerns about revenue bond authority by offering a floor amendment to remove that provision from the bill.

**OPPONENTS
SAY:**

HB 1986 would give yet another transportation planning entity the ability to enter into toll road projects with TxDOT. This would promote the further proliferation of toll roads around the state at the expense of motorists who essentially pay a double tax — once at the pump and again at the tollbooth — yet have experienced scant relief from traffic congestion. Despite assurances that free roads will always exist as alternatives to toll roads, it is becoming clear that the state has little interest in exploring alternatives, such as raising the motor fuel tax,

promoting mass transit, or dedicating other transportation-related taxes and fees. Indeed, the line between tolls as a source of financing and tolls as a source of revenue becomes more blurred with each toll-related proposal.

The bonding authority of county transportation authorities should be limited to the issuance of general obligation bonds only. Revenue bonds are secured by a specified revenue source rather than the full faith and credit of the state, which means that revenue bonds run a higher risk of default. Additionally, the financing of revenue bonds does not require prior voter approval. Voters should be able to maintain their current level of participation in the bonding decisions of county transportation authorities.

NOTES:

The author intends to offer a floor amendment that would remove the provision in the bill granting county transportation authorities the ability to issue revenue bonds in addition to general obligation bonds.