

- SUBJECT:** Restricting revenue from public toll roads to transportation projects
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 7 ayes — Pickett, Phillips, Callegari, Y. Davis, Guillen, McClendon, Merritt
0 nays
4 absent — Dunnam, Harper-Brown, T. Smith, W. Smith
- SENATE VOTE:** On final passage, April 23 — 30–0
- WITNESSES:** No public hearing
- BACKGROUND:** Under SB 792 by Williams, enacted by the 80th Legislature in 2007, local tolling authorities — certain counties, a Regional Tollway Authority (RTA), or a Regional Mobility Authority (RMA) — generally have the first option to build a toll project. If the local authority cannot raise the up-front payments or follow certain procedures within six months, TxDOT may proceed with a private entity. If the local authority developed the project, it would have to commit to use the surplus revenue from the toll project to build additional road projects or deposit that money into an account to be used for regional road projects. Both TxDOT and a local authority may issue bonds to pay any costs associated with a toll project.
- DIGEST:** SJR 25 would amend the Texas Constitution to add Art. 8, sec. 7-c to limit the use of revenue a public entity collected from a tolled highway project to acquiring, constructing, operating, maintaining, or improving transportation projects. The restriction would not apply to an international bridge in the state or revenue that was dedicated to repaying debt for the tolled highway project.
- The proposal would be presented to the voters at an election on Tuesday, November 3, 2009. The ballot proposal would read: “The constitutional amendment requiring certain revenue collected by a public entity from the use of a tolled highway project in this state to be used only for transportation projects.”

**SUPPORTERS
SAY:**

SJR 25 would restrict revenue collected by a local tolling authority for a toll project to being spent for transportation projects. This constitutional restriction is needed in light of the growing number of toll projects completed by local tolling authorities in the wake of SB 792 by Williams, which granted local authorities primacy over private entities for toll road development. A constitutional prohibition has important advantages over a statutory revision — it is decisive, enduring, and reflects the will of voters in the state. Toll projects completed by local tolling authorities are given primacy in part with the justification that these projects provide a long-term source of revenue for transportation projects. However, projected increases in revenue generated by these projects could give rise to political attempts to reallocate the surplus funds in the future to purposes other than transportation.

The proposed constitutional amendment would ensure in the long term that revenue from public toll roads was spent on purposes that adhered to the original justification for these projects — enhancing mobility by maintaining and expanding transportation infrastructure. The proposal would achieve a balance by granting some flexibility in which types of transportation projects could receive surplus toll funds so that future Legislatures could modify the universe of eligible transportation projects, if necessary.

**OPPONENTS
SAY:**

SJR 25 would take the unnecessary step of adding a constitutional amendment restricting revenue from public toll roads to transportation projects. Transportation Code, sec. 228.0055 and sec. 228.006 currently restrict the use of toll revenue from comprehensive development agreements and other surplus toll revenue to being spent on highways, air quality projects, and transportation projects. There is no strong, compelling reason that the current statutory restrictions are insufficient to dedicate properly surplus toll revenue to transportation projects.

**OTHER
OPPONENTS
SAY:**

SJR 25 would add language that is overly broad and would not restrict the use of revenue from publicly owned toll roads specifically to funding highway and bridge projects. Current constitutional provisions restrict the uses of motor fuels taxes and vehicle registration fees to improving and policing public roadways. This is an important restriction that ties the spending of the revenue to the purposes for which it is collected. Surplus toll road revenue should not be used for other transportation-related

initiatives, such as passenger or freight rail or airport development, that have no direct relation to the source of the revenue.