

CSSB 5 / CSSJR 5

As the state's population continues to grow, Texas will add millions of new automobiles to the roads. Our current funding system is inadequate and cannot address the state's growing infrastructure demands. TxDOT needs a revenue stream that allows for future planning to address the state's growing needs. The legislature should identify a permanent revenue source that is:

- Predictable
- Constitutionally dedicated
- Transportation related
- Independent of fuel source the automobile uses
- Able to adjust to inflation

There is one revenue source that can provide all the qualities necessary to be an effective revenue stream, the state motor vehicle sales tax.

What this proposal does:

- Constitutionally dedicates the first \$2.5 billion of the existing vehicle sales, use and rental taxes to General Revenue (GR).
- Constitutionally dedicates the next \$2.5 billion each year to the State Highway Fund (SHF).
- Splits 50 / 50 between GR and the SHF all additional revenue in excess of \$5 billion each fiscal year.
- Use of these dedicated funds in the SHF would be limited to the acquisition of right of way, construction and maintenance of non-tolled roads and bridges, and to pay off general revenue Proposition 12 transportation debt (estimated around \$300 million per year).
- This dedication would not begin until the 2018-19 biennium, if approved by the voters in November 2016.

If the Legislature is determined to find additional revenue for transportation, approval of this proposal will give TxDOT a predictable revenue stream which they can use to implement long-range transportation plans. It also protects GR by \$2.8 billion (\$2.5 billion + \$0.3 billion in debt) in case of economic downturns, while still providing growth to GR in the long term.