

SUBJECT: Transferring toll projects and mass transit systems to RMAs

COMMITTEE: Transportation — favorable, without amendment

VOTE: 5 ayes — Krusee, Phillips, Hamric, Casteel, Hill

0 nays

4 absent — Callegari, Deshotel, Flores, West

SENATE VOTE: On final passage, May 16 — 30-0

WITNESSES: *(On House companion bill, HB 2138 by Phillips:)*
For — Glenn Gadbois, Just Transportation Alliances

Against — Donald Dillard, North Texas Tollway Authority; Ron Harris, Collin County and Dallas Regional Mobility Coalition; Allan Rutter, North Texas Tollway Authority

On — Bob Jackson, Robert Nichols, Ric Williamson, Texas Department of Transportation

BACKGROUND: Regional mobility authorities (RMAs) were created in 2001 by SB 342 by Shapiro during the 77th Legislature. Any county or set of counties may petition the Texas Transportation Commission (TTC) to form an RMA. RMAs construct and manage transportation projects with the goal of improving mobility in a region. RMAs have the power of eminent domain, may issue bonds, and may enter into contracts with private entities for transportation projects.

Transportation Code, ch. 370, authorizes RMAs to develop the following types of transportation projects:

- toll or non-toll highways;
- freight rail facilities;
- passenger rail facilities;
- ferries;
- certain airports;

- pedestrian and bicycle facilities;
- intermodal hubs;
- low traffic border crossing inspection stations;
- air quality improvement initiatives; and
- projects included in the State Implementation Plan for improving air quality.

Five RMAs currently have been approved by the Texas Department of Transportation (TxDOT): the Central Texas RMA (CTRMA), the Alamo RMA (formerly known as Bexar County RMA), the Grayson County RMA, the Cameron County RMA, and the North East Texas RMA. An application currently is pending with TxDOT for the formation of the Hidalgo County RMA.

DIGEST:

SB 1251 would allow counties and regional tollway authorities (RTAs) to transfer their assets and projects to RMAs. The bill also would authorize RMAs to operate mass transit systems.

Transfer of county projects to RMAs. SB 1251 would allow counties request authorization from the Texas Transportation Commission (TTC) to create RMAs and/or transfer county transportation projects to RMAs, provided the transfer was not prohibited by bond proceedings. A county would submit a proposal outlining the structure of the proposed RMA's board of directors in accordance with guidelines adopted by TTC.

Transfer of RTA projects to RMAs. The bill would allow for the dissolution of RTAs and the transfer of an RTA's financial obligations, toll projects, and toll roads to an RMA or other transportation authority. RTAs could transfer toll roads and projects to an RMA or other authorized local government entity as long as the transfer would not harm the toll road or project and the RMA assumed full financial responsibility for the road or project.

Transfers of toll roads and projects from RTAs to RMAs would require prior approval by the commissioners courts of counties under the jurisdiction of the RTAs. An RMA or other local government entity would be required to reimburse an RTA for any expenses related to the transfer.

RMA mass transit authority. The bill would grant RMAs the authority to build, own, operate, and maintain mass transit systems, including the property and facilities of existing mass transit providers. An RMA would

be required to hold a public hearing before setting fares or service charges and provide criminal penalties for failing to pay fares for transit services. The bill would authorize RMAs to use money from the Texas Mobility Fund to finance toll projects or mass transit systems.

The bill would establish a procedure for an RMA to request a transit provider to transfer a transit system to the RMA. A public hearing would be held in each political subdivision of the service area. Notice of the hearings would be published in local newspapers and the *Texas Register*. The RMA board of directors and the governing body of the transit authority would be required to approve the transfer of a mass transit system.

Elections. Elections would be held in each political subdivision of the service area and results would be tabulated separately for each political subdivision. The voters of all included subdivisions would be required to approve the measure in order for the transfer to occur.

Sales tax. The RMA would assume all financial obligations of a transit authority. RMAs also would obtain any sales tax authority previously held by the former transit provider. The bill would allow RMAs to increase the sales tax after obtaining approval. The sales tax could not be increased by more than 1 percent at a time or exceed the local ceiling of 2 percent. SB 1251 would prohibit an RMA from providing a transit system where another provider had implemented taxing authority without a written agreement.

The bill would take immediate effect if passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

SB 1251 would allow for the consolidation of regional transportation planning organizations into one authority. Currently, Texas has numerous transportation authorities, including RMAs, RTAs, Metropolitan Planning Organizations (MPOs) and Coordinated County Transportation Authorities (CCTAs). SB 1251 simply would facilitate the process of implementing transportation projects by allowing for the possibility of combinations between existing transportation authorities. The bill would allow transportation authorities to combine their resources into one efficient regional transportation organization working to reduce traffic congestion and improve air quality.

SB 1251 would assist RMAs in realizing their full potential as transportation authorities by allowing them to develop and operate public transit systems in their regions. The bill would allow RMAs throughout the state to integrate all of their region's strategies in order to improve mobility. The authority to operate mass transit systems would allow RMAs to offer seamless service to citizens and eliminate the current patchwork of providers that impedes mobility in many parts of the state. SB 1251 would enable RMAs to offer multimodal solutions to congestion problems around the state.

The bill would be entirely permissive by allowing transportation organizations to consider whether or not the transfer of projects and/or services to RMAs would be in the best interest of the region. SB 1251 would restrict RMAs that operate transit products from entering the service area of an existing transit provider that had obtained taxing authority to provide transit services in a particular area. Under the bill, the transfer of transit systems to RMAs would require a voluntary agreement by the governing bodies of both parties involved.

**OPPONENTS
SAY:**

SB 1251 could jeopardize plans for important transportation projects around the state. The North Texas Tollway Authority (NTTA) has proposed a \$450 million toll road that would connect downtown Dallas to southwest Fort Worth and eventually to Cleburne. The NTTA has been planning the construction of the Southwest Parkway toll road for more than 30 years, but this bill could enable RMAs to withdraw their assets from NTTA, taking away necessary resources for the project's completion.

Regional transportation entities already are working together, and SB 1251 only would add additional laws to further complicate the planning process for regional transportation projects. The Harris County Toll Road Authority (HCTRA) and NTTA currently are working together and only would be burdened by requests from RMAs to assume control of all of their assets and transportation projects. HCTRA already has 100,000 toll tags that are valid under the NTTA system in Dallas. Efforts should be made to enhance existing relationships between regional transportation authorities rather than dissolving these authorities.

NOTES:

The House companion bill, HB 2138 by Phillips, was reported favorably, as substituted, by the Transportation Committee on April 26.