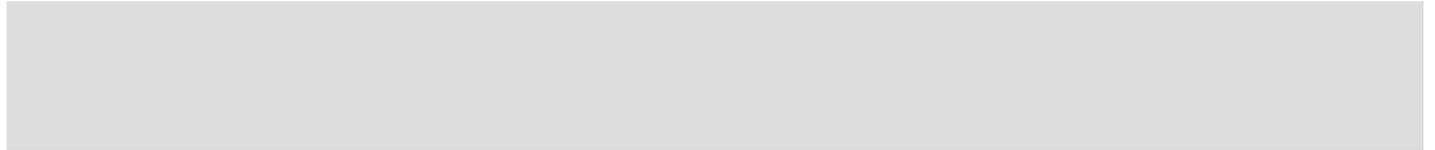


OVERVIEW OF SELECTED TRANSPORTATION TAXES AND FEES, STATE HIGHWAY FUND APPROPRIATIONS, AND FEDERAL HIGHWAY FUNDS

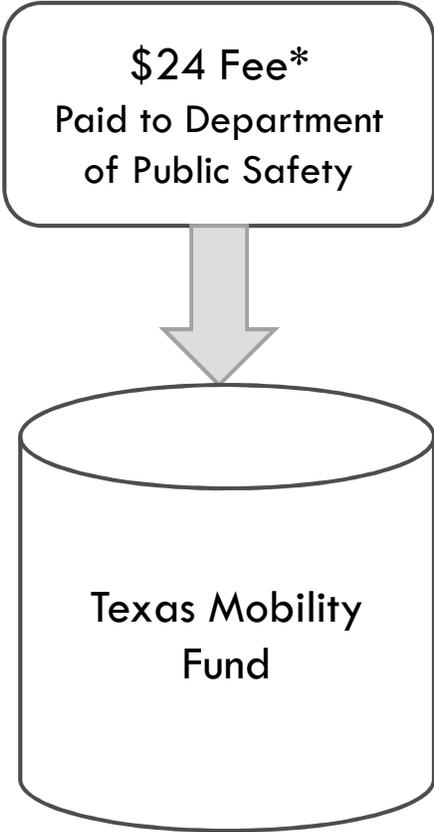
Legislative Budget Board Staff

Presented to the Senate Select Committee on Transportation Funding, Expenditures,
and Finance

June 24, 2014

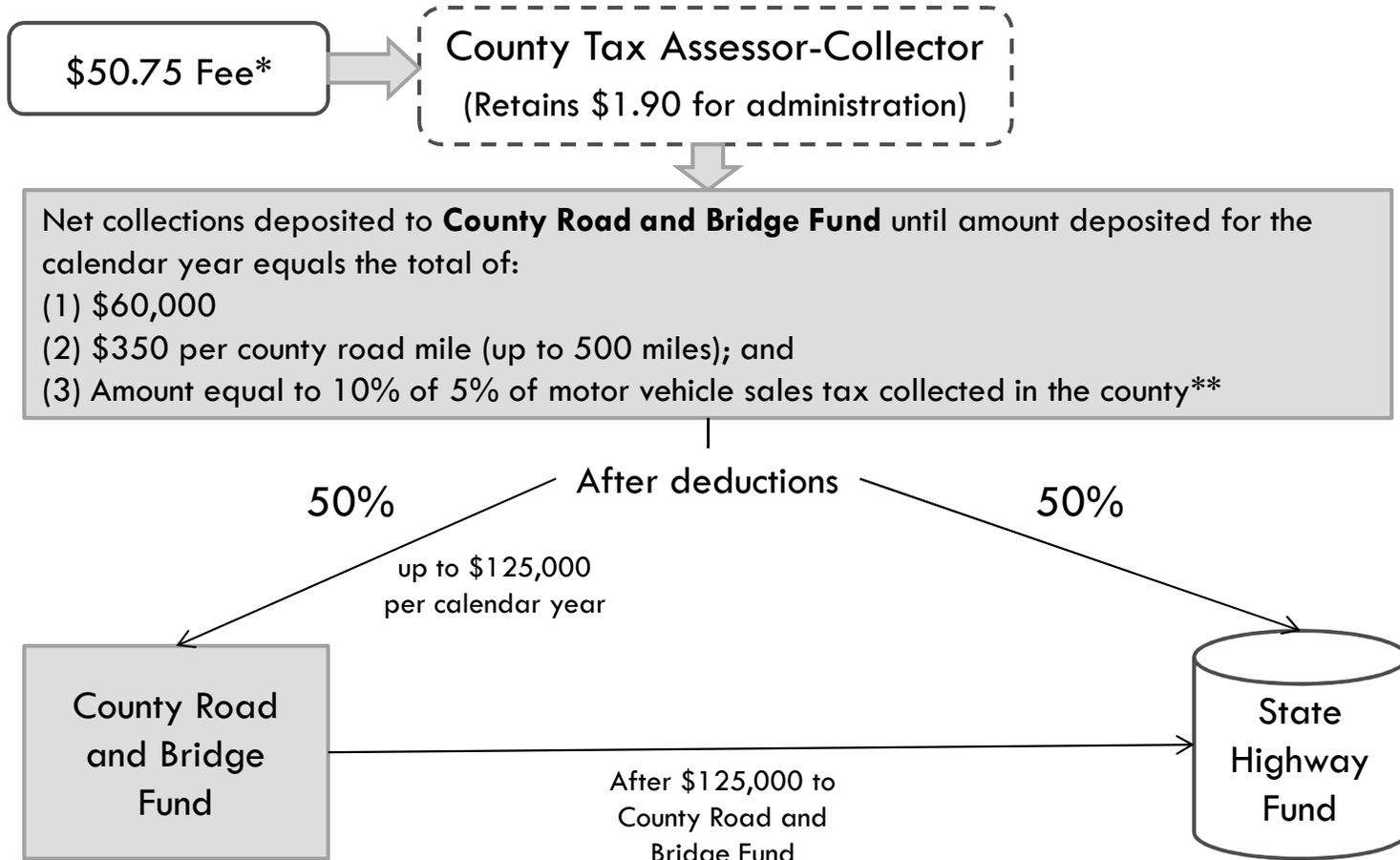


Drivers License Fee



*Six-year new/renewal fee for drivers age 18 to 84. Excludes administrative fees.

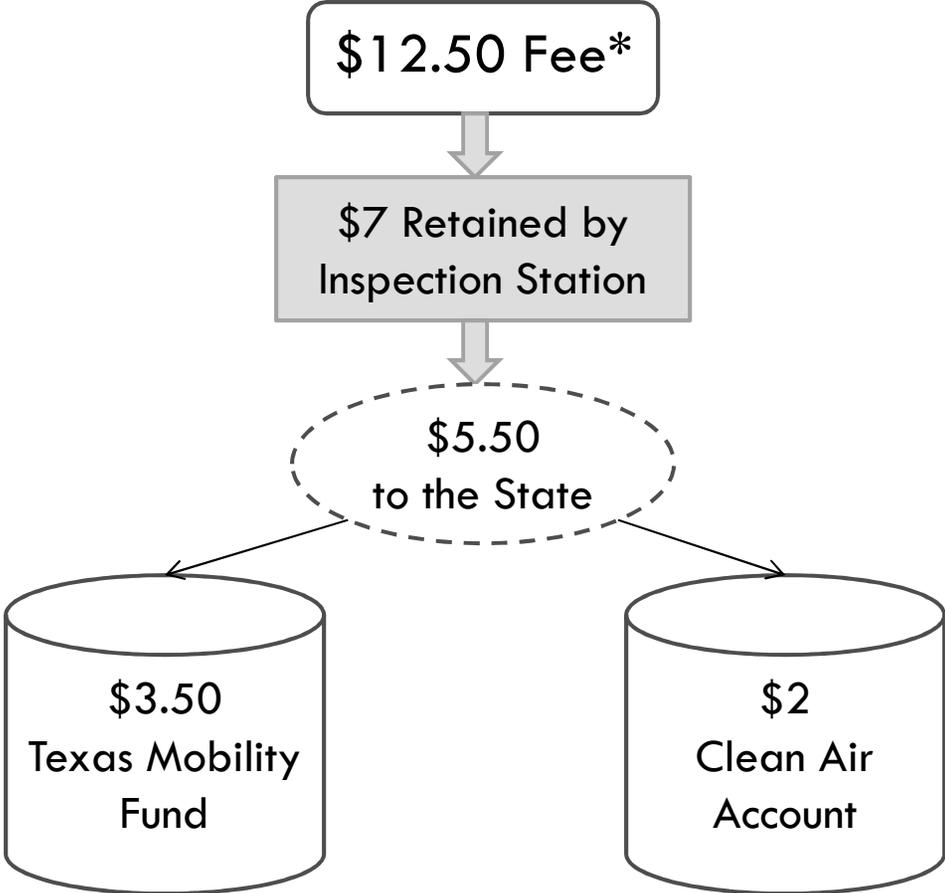
Motor Vehicle Registration Fee



* Vehicles that weigh 6,000 lbs. or less. Excludes optional county road and bridge fees and other service fees.

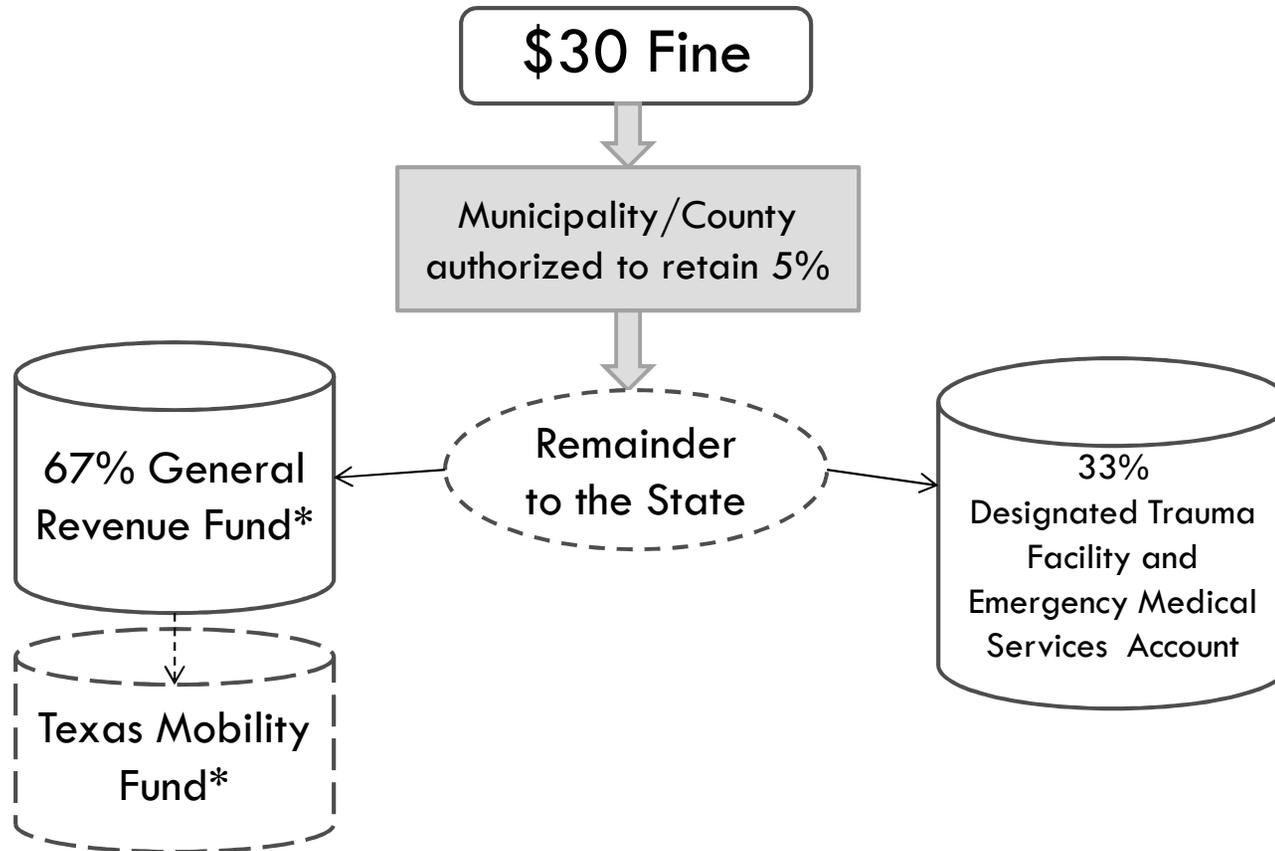
** The portion of the county allocation based on motor vehicle sales tax collections will end in fiscal year 2014.

Vehicle Safety Inspection Fee



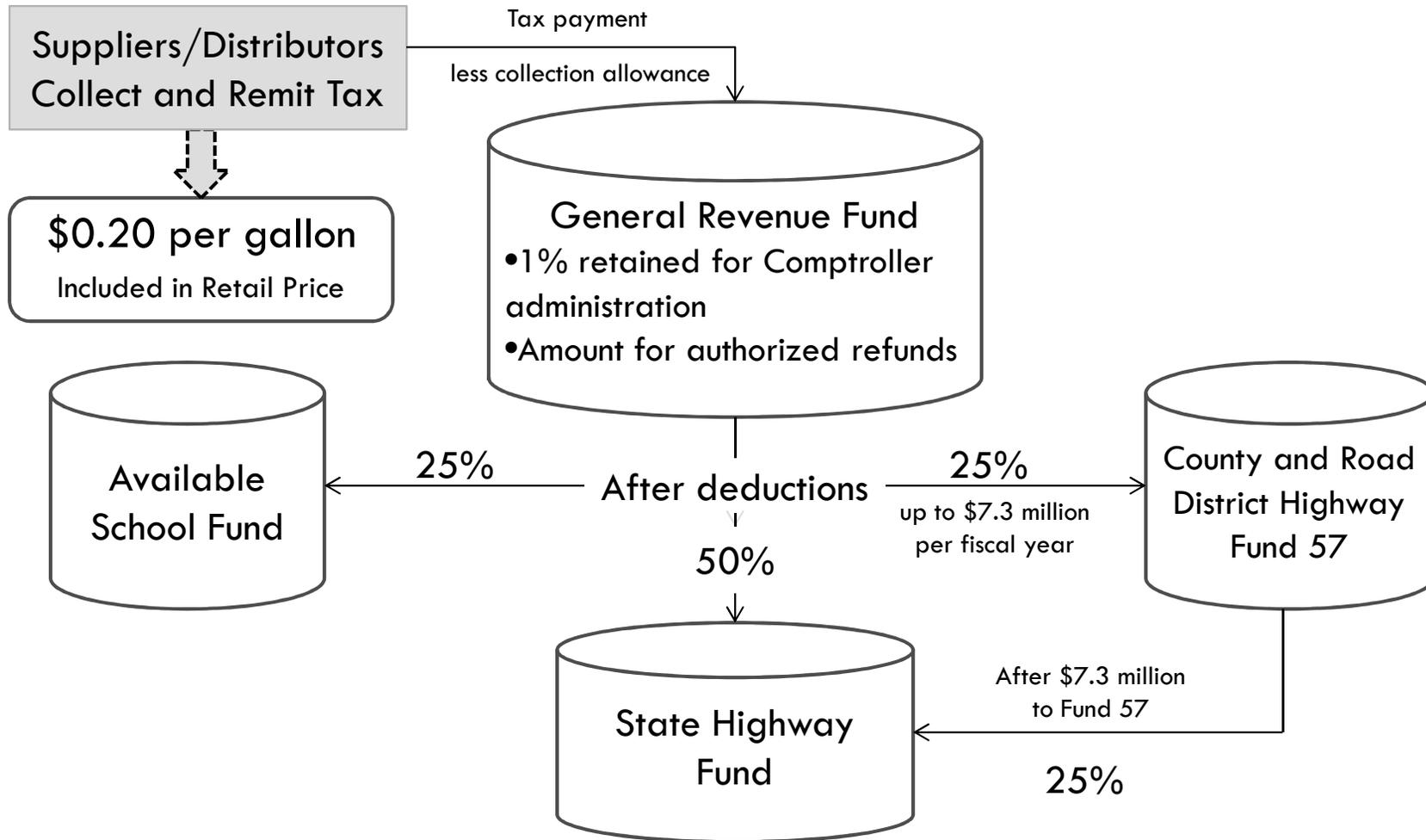
*Excludes additional fees for vehicle emissions inspections.

State Traffic Fine



* 67% of state traffic fine revenue to the state is deposited to the Texas Mobility Fund only after the combined receipts to the General Revenue Fund from state traffic fines and Driver Responsibility Program fees exceeds \$250 million in a fiscal year.

State Gasoline Tax



Fines for Gross Weight and Axle Weight Violations

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- ❑ State law establishes offenses and fines for exceeding certain gross vehicle weight and axle weight limitations.
- ❑ Fines range from \$100 to \$10,000 depending the type of violation and the amount by which the gross weight or axle weight exceeds the authorized limit.
- ❑ Fines can increase if the defendant faces subsequent convictions within a year of a previous conviction.
- ❑ Justice and municipal courts have jurisdiction over gross weight and axle weight violations.
- ❑ Judges have discretion to assess fines within the minimum and maximum ranges prescribed by state law.
- ❑ Fines collected and retained by municipal/county courts are deposited to the municipal/county treasury.

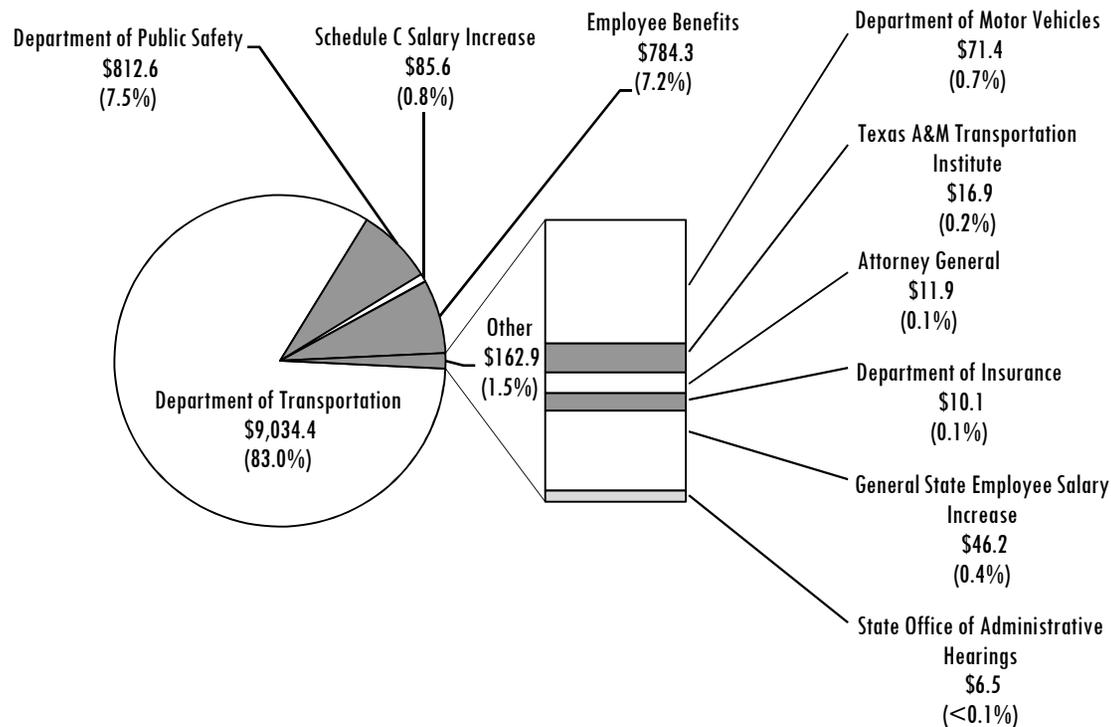
Fines for Gross Weight and Axle Weight Violations (cont'd)

- A governmental entity collecting a fine for an offense involving a vehicle exceeding gross/axle weight limits by more than 5,000 pounds without a permit is required to send 50 percent of the fine to the Comptroller unless the offense is committed within 20 miles of the international border.
- If an offense for exceeding the weight limit by more than 5,000 pounds without a permit is committed within 20 miles of an international border, the entire fine is deposited in the local treasury for road maintenance purposes.
- A governmental entity collecting a fine for exceeding the allowable weight under an excess gross/axle weight permit is required to send 50 percent of the fine to the Comptroller.
- Fines sent to the Comptroller are deposited to the General Revenue Fund.

State Highway Fund Appropriations for the 2014-15 Biennium

IN MILLIONS

TOTAL = \$10,879.8 MILLION



Notes:

1. Department of Transportation includes estimated revenue from Senate Joint Resolution 1, 83rd Legislature, Third Called Session, and excludes revenue bond proceeds and federal highway reimbursements held in the State Highway Fund.
2. Schedule C Salary Increase includes salary and additional employee benefits for commissioned peace officers at the Department of Public Safety.

State Highway Fund Appropriations to Agencies Other Than TxDOT for the 2014-15 Biennium

- **Office of the Attorney General (\$11.9 million)** - Funding provides legal services on behalf of the Department of Transportation and the Department of Public Safety (includes right-of-way acquisition proceedings and representation in lawsuits).
- **Texas A&M Transportation Institute (\$16.9 million)** - Funding supports highway safety and other transportation related research.
- **Department of Public Safety (\$812.6 million)** - Funding is provided to police the state highway system and administer state traffic and safety laws on public roads as authorized by Article 8, §7-a, Texas Constitution, and Transportation Code §222.001.
- **Department of Motor Vehicles (\$71.4 million)** - Appropriations support motor vehicle registration and titling, vehicle dealer registration and regulation, motor carrier registration and regulation, and agency administration.
- **State Office of Administrative Hearings (\$6.5 million)** - Funding is provided for hearings for the Department of Public Safety's Administrative License Revocation Program.
- **Department of Insurance (\$10.1 million)** - Funding supports TexasSure, the state's vehicle insurance verification system, a database allowing law enforcement and tax collector/assessors to instantly identify whether drivers possess valid auto insurance. Pursuant to Transportation Code §502.357, an additional \$1.00 fee is assessed on vehicle registrations (deposited to the State Highway Fund) and may be appropriated to the Department of Insurance and/or other designated implementing agencies to implement the insurance verification system program.
- **General State Employee Salary Increase (\$46.2 million)** - A proportionate amount of State Highway Funds is appropriated to pay for salary increases for general state employees with salaries paid from State Highway Funds (including TxDOT).
- **Schedule C Salary Increase (\$85.6 million)** - A proportionate amount of State Highway Fund is appropriated for a pay increase for troopers at the Department of Public Safety.
- **Employee Benefits (\$784.3 million)** - Employee benefits are paid proportionately by fund, and therefore a proportionate amount of the State Highway Fund is provided for insurance, retirement, Social Security, and benefit replacement pay costs for employees and retirees from the agencies identified above as receiving State Highway Fund appropriations (excluding the Department of Insurance).

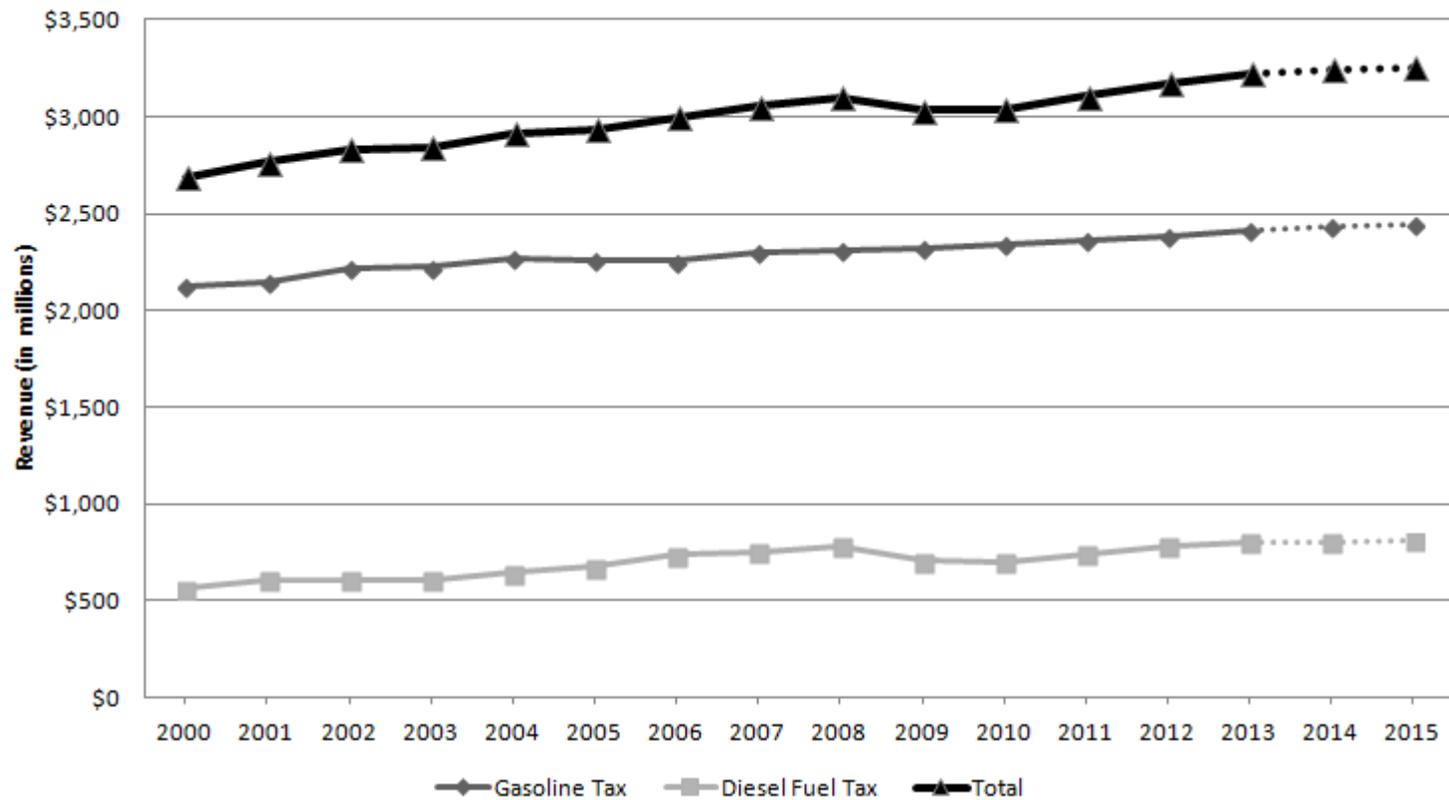
TxDOT Estimated State Highway Fund Appropriations

- TxDOT's appropriations from the State Highway Fund (Fund 6) are estimated amounts (i.e., not sum-certain).
- TxDOT Rider 18, Additional Funds, 2014-15 General Appropriations Act (GAA) places limitations on the estimated Fund 6 appropriation. TxDOT may not spend amounts above the estimated appropriation for the fiscal biennium unless:
 - TxDOT submits a report to LBB and the Governor identifying the amount of additional funds available, their anticipated uses, and projected impacts; and
 - LBB and the Governor issue a written approval or specify an alternate use.

TxDOT Estimated State Highway Fund Appropriations (cont'd)

- A request to spend additional funds is considered to be approved unless the LBB issues a written disapproval within 15 business days of the date LBB staff submits its review of the request to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.
- Additional Funds rider was first enacted in Senate Bill 1, 79th Legislature, 2005 (2006-07 GAA).
- Prior to the 2006-07 biennium, TxDOT had discretionary authority to spend additional State Highway Funds above the estimated appropriations for contracted transportation planning and design, acquisition of right-of-way, and contracted highway construction and maintenance.

State Motor Fuels Tax Revenue, Fiscal Years 2000 to 2015

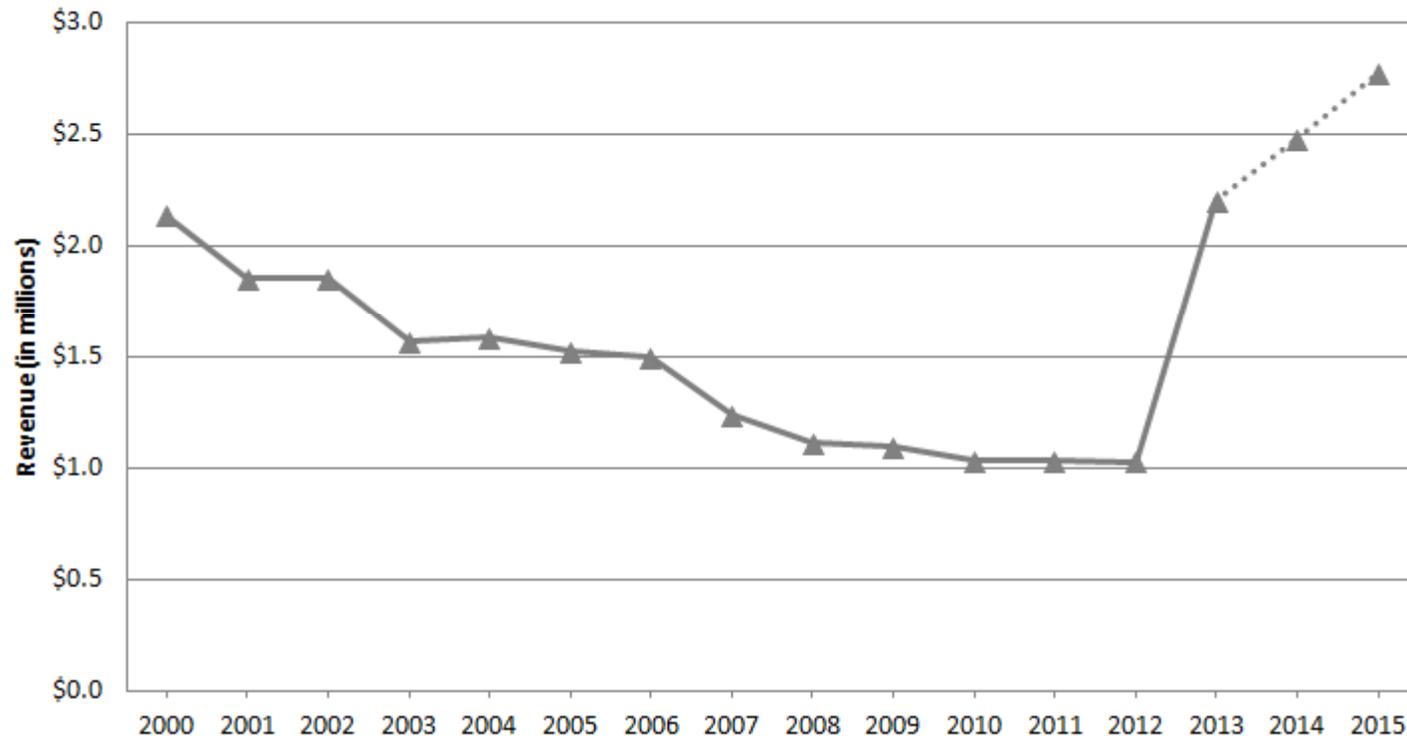


Source: Comptroller of Public Accounts

Note: Fiscal years 2014 and 2015 are estimated. Total includes Gasoline Tax, Diesel Fuel Tax, and Liquefied Petroleum Gas and Compressed Natural Gas Tax.

Liquefied Petroleum Gas and Compressed Natural Gas Tax Revenue, Fiscal Years 2000 to 2015

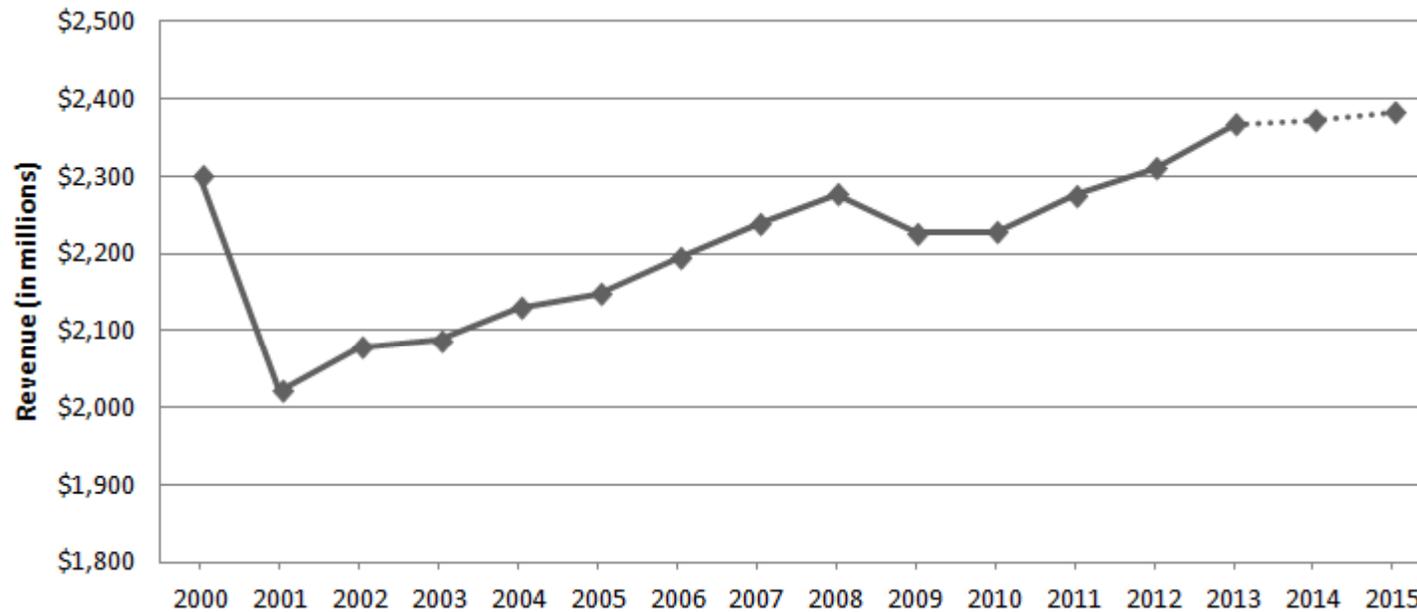
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Source: Comptroller of Public Accounts

Note: Fiscal years 2014 and 2015 are estimated.

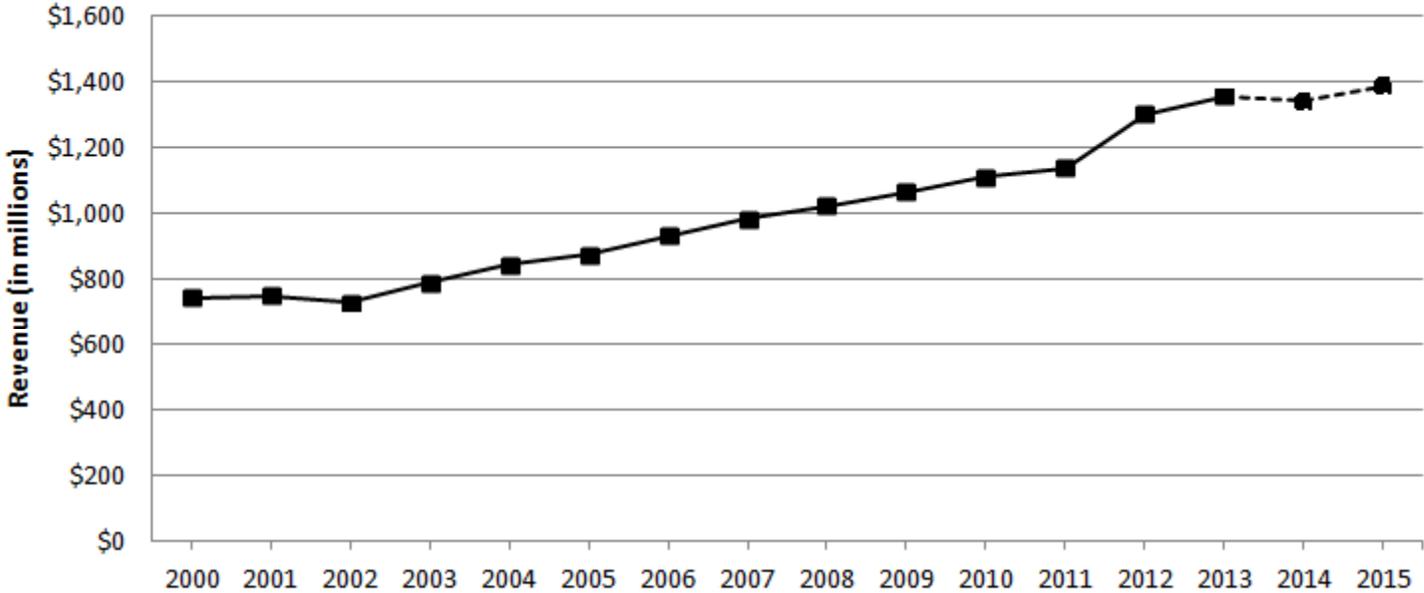
State Motor Fuels Tax Deposits to State Highway Fund, Fiscal Years 2000 to 2015



Source: Comptroller of Public Accounts

Note: Fiscal years 2014 and 2015 are estimated. Includes allocations to the State Highway Fund from Gasoline Tax, Diesel Fuel Tax, and Liquefied Petroleum Gas and Compressed Natural Gas Tax. Fiscal year 2000 reflects the delayed transfer of motor fuels tax allocations to the State Highway Fund for the months of June and July 1999 (fiscal year 1999) until September 1999 (fiscal year 2000).

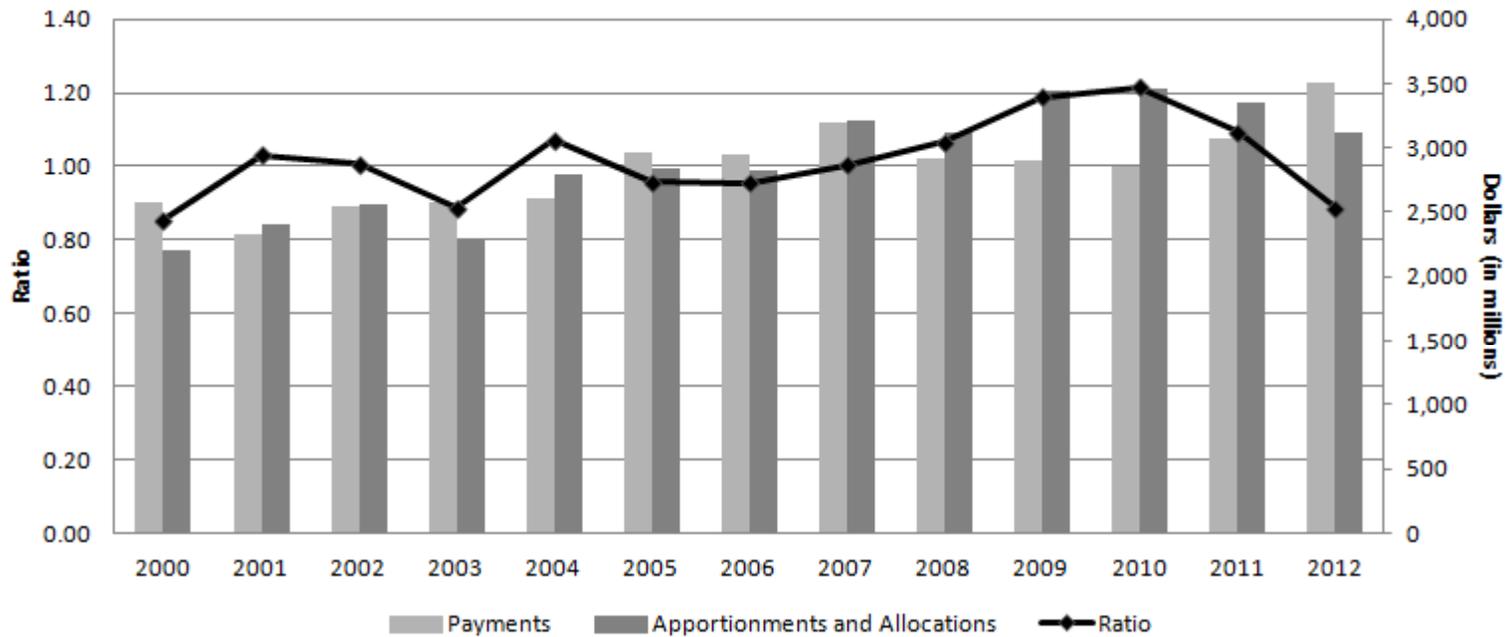
Vehicle Registration Fee Revenue to the State Highway Fund, Fiscal Years 2000 to 2015



Source: Comptroller of Public Accounts

Note: Fiscal years 2014 and 2015 are estimated. Amounts for each fiscal year include registration fees for all types of vehicles.

Federal Highway Trust Fund – Highway Account: Apportionments and Allocations to Texas Compared to Payments Attributable to Texas, Federal Fiscal Years 2000 to 2012



Source: U.S. Department of Transportation, Federal Highway Administration

Notes: Payments include only the net highway user tax receipts and fines and penalties deposited in the Highway Account of the Federal Highway Trust Fund that are attributable to highway users in Texas as determined by the Federal Highway Administration. Payments to the Mass Transit Account are not included. The ratio represents the amount of apportionments and allocations from the Highway Account divided by the payments for each federal fiscal year.