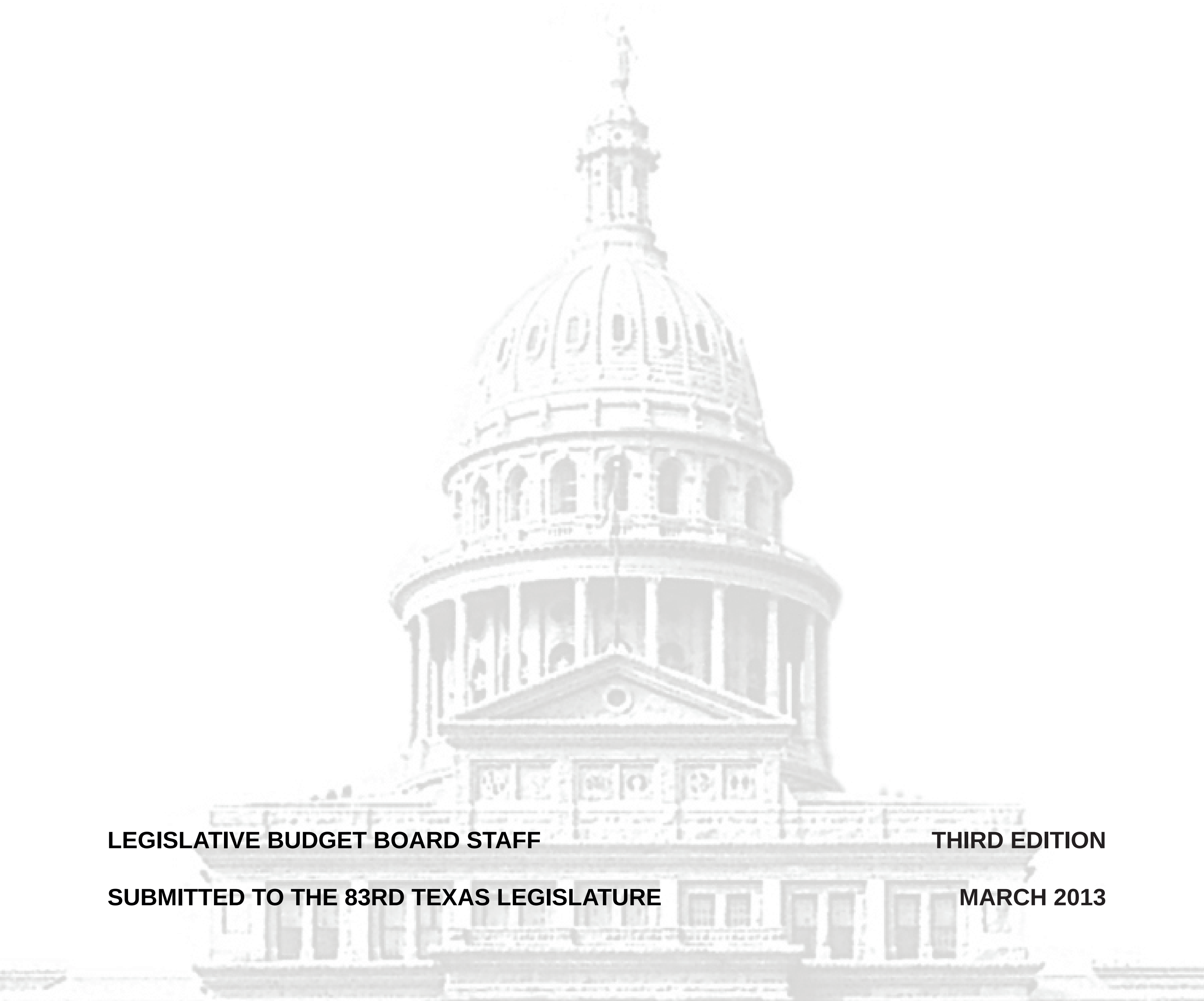
LEGISLATIVE BUDGET BOARD

Texas Highway Funding

Legislative Primer



LEGISLATIVE BUDGET BOARD STAFF

THIRD EDITION

SUBMITTED TO THE 83RD TEXAS LEGISLATURE

MARCH 2013

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TEXAS HIGHWAY FUNDING:
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Texas has traditionally used a pay-as-you-go financing system in which roads are built as funding becomes available. Funding for the pay-as-you-go system in Texas is generated from user fees (i.e., motor fuels tax revenues and registration fees) and Federal Funds. However, as the cost of constructing and maintaining transportation corridors has increased, the capacity of the traditional pay-as-you-go system has been reduced. As a result, the Legislature has authorized the issuance of debt and provided limited use of public-private partnerships to generate additional revenue to fund the construction and maintenance of highways.

This report provides an overview of the financing mechanisms available to the Texas Department of Transportation to construct and maintain highways. Additionally, the constitutional and statutory requirements and historical expenditures and trends of these revenue sources are discussed. The majority of revenue sources for highway construction and maintenance are deposited into either the State Highway Fund or the Texas Mobility Fund.

DISCUSSION

The Texas Department of Transportation (TxDOT) maintains almost 80,000 centerline miles of road, which comprises 25.7 percent of roads in the state. Almost 74 percent of the annual vehicle miles traveled in Texas is on state maintained roads. During the 2012–13 biennium, TxDOT had an All Funds budget of $19.8 billion. Appropriations to TxDOT for transportation planning, right-of-way acquisition, and construction accounted for $10.0 billion, or 50.6 percent, of the agency's budget. An additional $6.9 billion, or 34.9 percent of TxDOT's budget, was included in the General Appropriations Act for maintenance and preservation of the state's transportation system. Another $576.8 million in highway and bridge construction funds was provided under the American Recovery and Reinvestment Act of 2009 (ARRA) for "ready to go" projects in the 2012–13 biennium. During the 2012–13 biennium, appropriations for highway construction and maintenance accounted for 9.7 percent of the state's All Funds budget. **Figure 1** shows the net expenditures on highway construction and maintenance in Texas from fiscal years 2007 to 2012 compared to total state expenditures.

FIGURE 1
NET EXPENDITURES ON HIGHWAY CONSTRUCTION AND MAINTENANCE, FISCAL YEARS 2007 TO 2012

FISCAL YEAR	HIGHWAY CONSTRUCTION AND MAINTENANCE (IN MILLIONS)	NET EXPENDITURES EXCLUDING TRUST (STATEWIDE) (IN MILLIONS)
2007	$5,359.4	$74,500.8
2008	$5,208.6	$81,935.8
2009	$4,252.9	$88,575.6
2010	$3,353.5	$90,434.1
2011	$3,774.0	$95,458.8
2012	$4,186.5	$94,256.9

SOURCE: Comptroller of Public Accounts.

The State Highway Department was established by the Thirty-fifth Legislature, 1917, to distribute monetary aid to counties for the purpose of highway construction and maintenance and to undertake road construction projects. In 1921 the Federal Aid to Roads Act was amended, requiring states to take over responsibility for road design, construction, and maintenance after 1925. In 1924, the State Highway Department also took over responsibility for all state highway maintenance, which had previously been left to counties. During the late 1920s, the Legislature adopted the pay-as-you-go system of highway financing. The Forty-second Legislature, 1932, provided that highway financing was a state responsibility and limited counties' contributions to providing right-of-way. TxDOT was established in 1991, taking over responsibilities of the Department of Aviation, Motor Vehicle Commission, and State Department of Highways and Public Transportation.

Texas' pay-as-you-go system required that project funding be available prior to the maintenance and construction of highway capacity. Traditionally, road financing was generated through motor vehicle registration fees, taxes on motor fuels and lubricants, and federal funding. In recent years, transportation funding has not kept pace with the state's road maintenance and construction needs. The cost of construction materials fell between 2008 and 2010; however, during 2012 prices had returned to levels experienced in 2007. Gasoline is currently taxed at $0.20 per gallon, a rate last changed in 1991. Because gasoline is taxed according to volume rather than price, inflation and improved vehicle fuel economy has eroded the purchasing power of gasoline tax revenue over time. Adjusting for inflation using the Consumer Price Index, the tax rate would need to be $0.34 per gallon to have the same purchasing power it did in 1991.

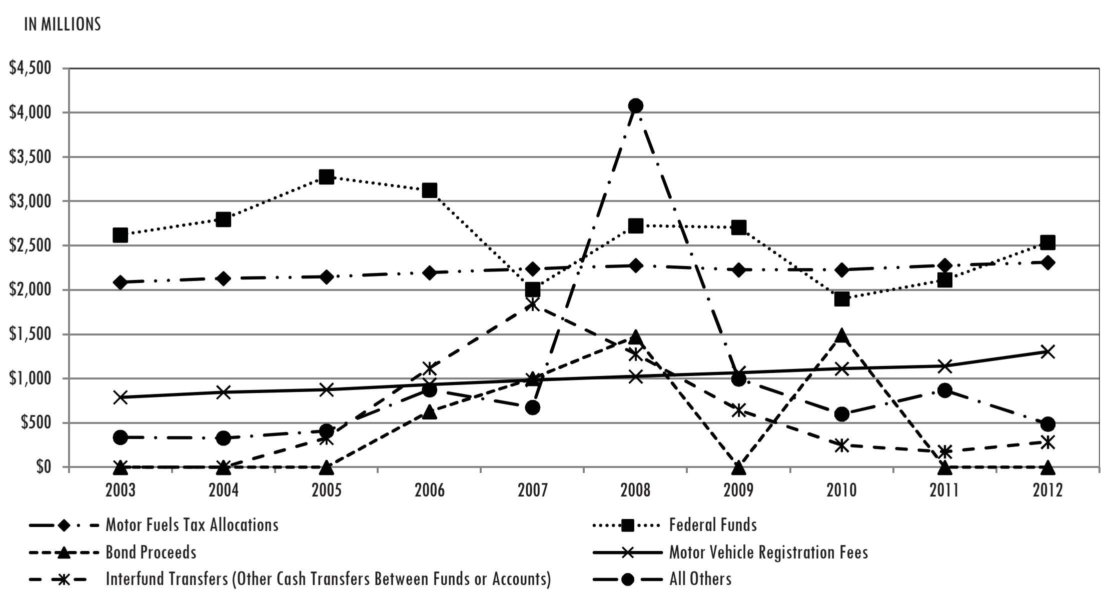
As the state's population, economy, and vehicle miles traveled have increased, the cost of materials for road construction has also increased. From 2002 to 2007, the highway construction cost index increased at an abnormally fast rate—increasing by 62 percent. As of fiscal year 2010, the Texas state highway system includes 193,334 lane miles of roads. From fiscal years 2001 to 2010, the number of national highway system lane miles in Texas increased by approximately 2.8 percent. During this period, the state's population increased by almost 18.4 percent and the number of vehicle miles traveled increased by 11.4 percent. Much of this growth has been in the state's urban areas, which are some of the most congested cities in the country. In the 2011 Urban Mobility Report, the Texas Transportation Institute ranked the Houston area fourth in the country for annual hours of delay per traveler. The Dallas-Fort Worth-Arlington area ranked 10th, Austin ranked 15th, and San Antonio ranked 34th.

With the pay-as-you-go system no longer able to sustain the needs of the state's highway system, new financing tools have been made available to TxDOT. Traditional methods of financing for highway construction and maintenance include revenues from state motor fuel taxes, oversize/overweight permits, and motor vehicle registration fees which are deposited to the State Highway Fund. New financing methods include the use of bond proceeds and comprehensive development agreements (CDAs). These revenues are deposited to either the State Highway Fund or the Texas Mobility Fund. **Figure 2** and **Figure 3** show the primary sources of revenue deposited into each fund over the past 10 fiscal years. **Figure 4** shows TxDOT appropriations by funding source for the 2012–13 biennium, of which the largest is the State Highway Fund.

STATE HIGHWAY FUND

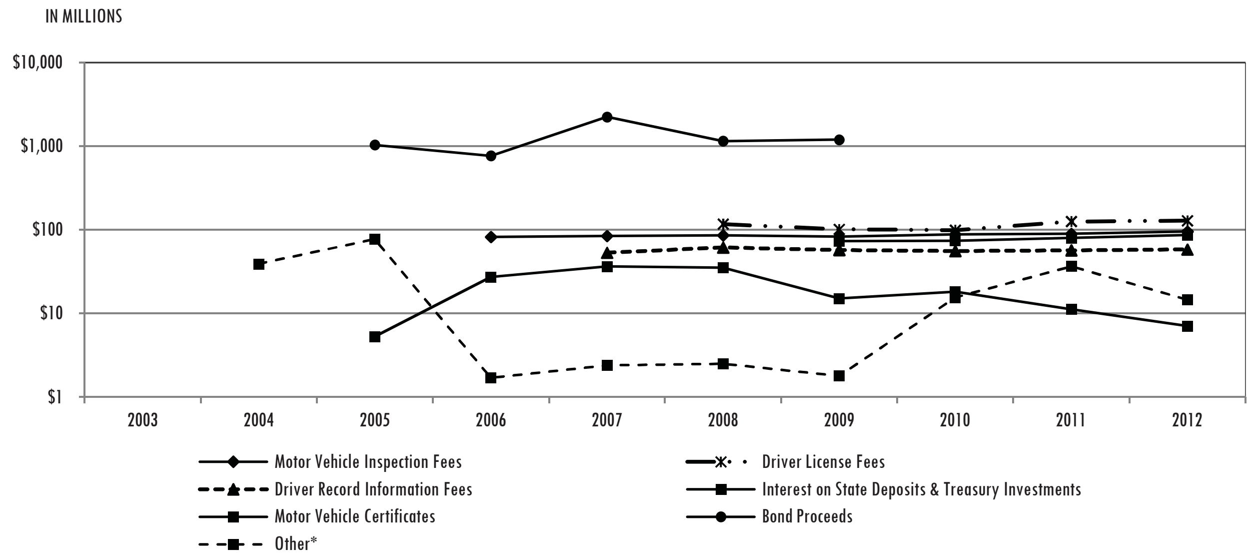
The State Highway Fund consists of revenues generated by a variety of sources; as **Figure 5** shows, the state motor fuels tax and Federal Funds are the fund's two largest sources of revenue. Over time, however, the percentage of revenue deposited to the State Highway Fund generated by other revenue sources has increased. In fiscal year 2003, the

FIGURE 2
STATE HIGHWAY FUND MAJOR REVENUE TRENDS, FISCAL YEARS 2003 TO 2012



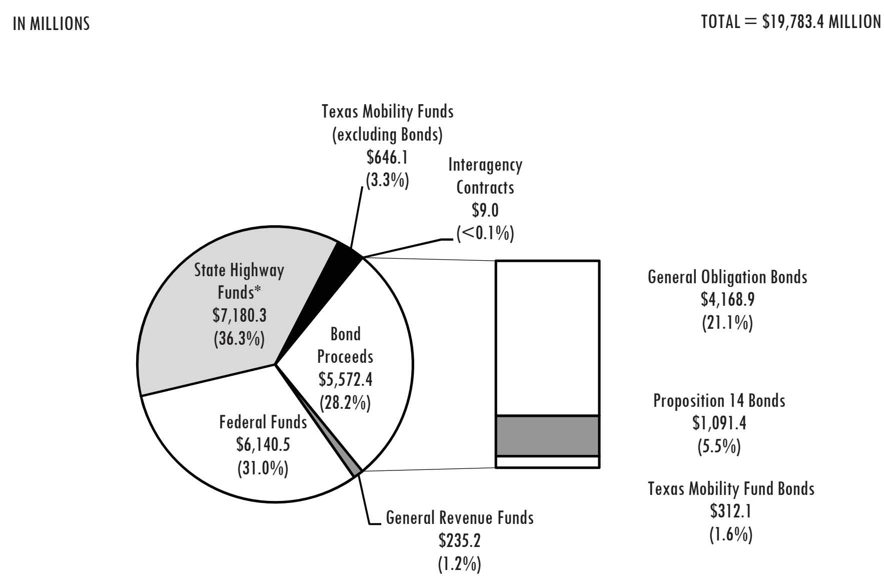
Notes: Interfund transfers are reimbursements to the State Highway Fund from the Texas Mobility Fund.
Other revenues include, but are not limited to, special vehicle registration fees, toll revenues, motor vehicle registration fees, and public and private concession fees.
Source: Legislative Budget Board.

FIGURE 3
TEXAS MOBILITY FUND MAJOR REVENUE TRENDS, FISCAL YEARS 2003 TO 2012



SOURCE: Legislative Budget Board.

FIGURE 4
DEPARTMENT OF TRANSPORTATION FUNDING SOURCES, 2012–13 BIENNIUM



SOURCE: Legislative Budget Board.

combined total of revenue generated from sources other than the state motor fuels tax and Federal Funds made up 19.3 percent of the State Highway Fund. In fiscal year 2008, this percentage had increased to a high of 61.4 percent as a result of new financing mechanisms such as bonds, tolls, and concession agreements. In fiscal year 2012, other revenue sources accounted for 36.1 percent of State Highway Fund revenue.

The Texas Transportation Code, Chapter 222, provides that revenue required to be used for public roads by either the

FIGURE 5
MOTOR FUELS TAX AND FEDERAL FUNDS DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	TOTAL REVENUES (IN MILLIONS)	STATE MOTOR FUELS TAX (IN MILLIONS)	FEDERAL FUNDS (IN MILLIONS)	ALL OTHER REVENUE SOURCES (IN MILLIONS)
2003	$5,834.2	$2,087.0	$2,621.0	$1,126.2
2004	$6,102.4	$2,130.0	$2,797.3	$1,175.1
2005	$7,037.4	$2,148.3	$3,275.4	$1,613.7
2006	$8,868.6	$2,194.2	$3,123.8	$3,550.6
2007	$8,745.3	$2,238.2	$2,007.1	$4,500.0
2008	$12,855.0	$2,275.9	$2,725.0	$7,854.0
2009	$7,640.2	$2,226.6	$2,705.9	$2,707.7
2010	$7,578.6	$2,227.0	$1,899.5	$3,452.1
2011	$6,571.3	$2,275.3	$2,114.1	$2,181.9
2012	$6,922.6	$2,310.9	$2,536.4	$2,075.3

Source: Comptroller of Public Accounts.

Texas Constitution or federal law and that is deposited to the State Highway Fund be used solely:

- to improve the state highway system;
- to mitigate adverse environmental effects resulting from state highway construction or maintenance; or
- for policing and administration of state traffic and safety laws by the Texas Department of Public Safety (DPS) on state highways.

All other funds in the State Highway Fund are statutorily authorized to be used for any function TxDOT performs.

The largest expenditure from the State Highway Fund is for highway construction. During the 2012–13 biennium, construction and construction-related activities made up 38.9 percent of TxDOT's State Highway Fund appropriations. Historically, the primary uses of revenue from the fund for purposes other than highway construction have been for salaries and wages, employee benefits, highway repairs and maintenance, and professional service and fees. **Figure 6** shows more detail regarding State Highway Fund expenditures used for these purposes.

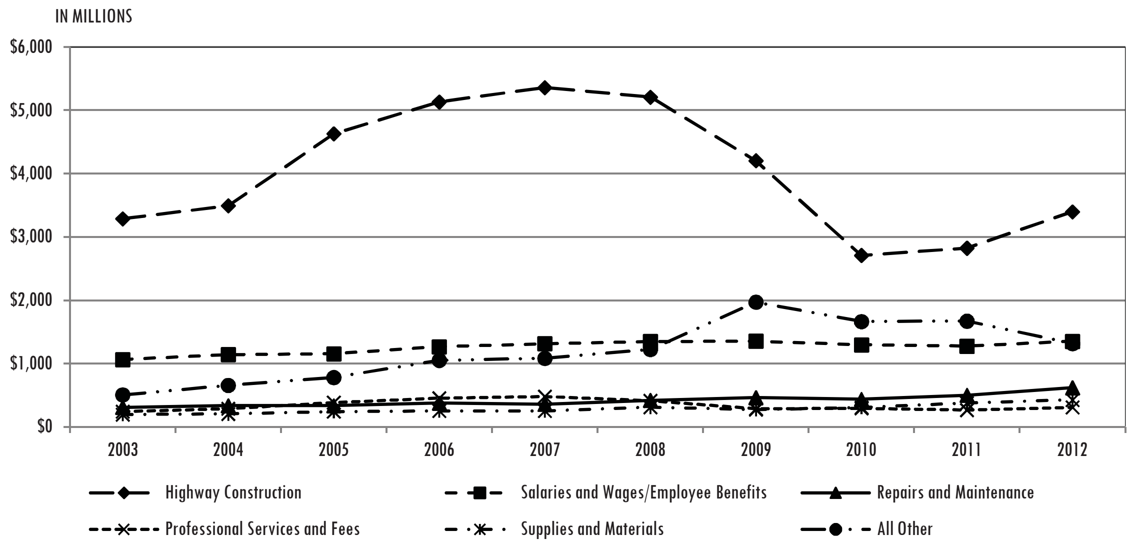
STATE MOTOR FUELS TAX

The motor fuels tax is applied to the sale of gasoline, diesel fuel, and liquefied gas. The gasoline tax was first imposed at the rate of $0.01 per gallon in 1923. Three-fourths of the revenue was deposited to the State Highway Fund and the remaining one-fourth was deposited to the Available School Fund. In 1941, a $0.08 per gallon tax was applied to the purchase of diesel fuel and a $0.04 per gallon tax was applied to the sale of liquefied gas. These tax rates have all been increased multiple times, as shown in **Figure 7**.

Article VIII, Section 7-a, was added to the Texas Constitution in 1946, requiring three-fourths of all net revenue generated by motor fuels taxes to be used only for acquiring rights-of-way; constructing, maintaining, and policing public roadways; or for the payment of principal and interest on certain road district bonds or warrants. The Texas Constitution dedicates the remaining one-fourth of the motor fuels tax to the Available School Fund. This amendment legally formalized the practice that had been in place since the state gasoline tax was instituted.

The Texas Tax Code, Chapter 162, Subchapters B and C, contain provisions relating to the state's gasoline and diesel taxes. Gasoline and diesel taxes are paid by suppliers. Suppliers receive reimbursement for the gasoline tax from distributors and importers. Terminal operators then pay the tax to distributors and importers, and consumers finally pay terminal operators at the point of sale. Suppliers, terminal operators, and licensed distributors file a monthly report, including payment for the amount of tax reported due with the Comptroller of Public Accounts (CPA). Licensed distributors and importers that remit gasoline taxes in a timely manner are authorized to retain 1.75 percent of total taxes paid to suppliers and distributors for administrative expenses. Suppliers are authorized to retain 2 percent of the tax collected if timely payment to the state is made. Refunds are authorized for certain vehicles not propelled on public roadways and transit companies are authorized a refund of $0.01 per gallon for gasoline and diesel fuel used in transit

FIGURE 6
PRIMARY EXPENDITURES FROM THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012



SOURCE: Legislative Budget Board.

FIGURE 7
CHANGES IN MOTOR FUELS TAX RATES, FISCAL YEARS 1923 TO 2013

LEGISLATURE	GASOLINE TAX	DIESEL TAX	LIQUEFIED GAS TAX
Thirty-eighth (1923)	$0.01 per gallon	N/A	N/A
Forty-seventh(1941)	$0.04 per gallon	$0.08 per gallon	$0.04 per gallon
Forty-eighth (1943)	No Change	$0.06 per gallon	No Change
Fifty-fourth (1955)	$0.05 per gallon	$0.065 per gallon	$0.05 per gallon
Sixty-seventh (1981)	$0.01 rate reduction (certain groups only)	$0.005 rate reduction (certain groups only)	No Change
Sixty-eighth (1984)	$0.10 per gallon	$0.10 per gallon	$0.10 per gallon
Sixty-ninth (1986)	$0.15 per gallon	$0.15 per gallon	$0.15 per gallon
Seventieth (1987)	$0.15 per gallon	$0.15 per gallon	$0.15 per gallon
Seventy-first (1989)	No Change	No Change	Adjusted decal rate schedule
Seventy-second (1991)	$0.20 per gallon	$0.20 per gallon	No Change

NOTE: The Seventieth Legislature, Second Called Session, 1987, passed House Bill 62 to authorize permanent tax increases that had been enacted as a temporary measure by the Sixty-ninth Legislature, Third Called Session, 1986.
SOURCE: Comptroller of Public Accounts.

vehicles. Exemptions from gasoline and diesel taxes are allowed for:

- the federal government;
- public school districts;
- commercial transportation companies or metropolitan rapid transit authorities providing public school transportation services;
- certain gasoline exporters and movements between terminals, and fuel used for aviation;
- electric and telephone cooperatives organized pursuant to the Texas Utilities Code;
- certain purchases of dyed diesel fuel and kerosene are exempt from the diesel fuel tax; and

- the volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof that are blended with taxable diesel fuel.

The value of these exemptions, refunds, and discounts from the gasoline tax since fiscal year 2007 is shown in **Figure 8**.

FIGURE 8
VALUE OF GASOLINE TAX EXEMPTIONS, REFUNDS, AND DISCOUNTS, FISCAL YEARS 2007 TO 2012

FISCAL YEAR	VALUE OF EXEMPTIONS AND REFUNDS (IN MILLIONS)	VALUE OF DISCOUNTS FOR TAX COLLECTION (IN MILLIONS)
2007	$78.0	$46.1
2008	$79.3	$46.9
2009	$78.9	$47.6
2010	$80.2	$47.8
2011	$64.5	$48.4
2012	$65.6	$49.1

NOTE: All amounts estimated.
SOURCE: Comptroller of Public Accounts.

The Texas Tax Code, Chapter 162, Subchapter D, regulates the state liquefied gas tax. This tax applies to the use of liquefied gas for powering motor vehicles on state highways. The tax is annually pre-paid to the CPA by the operator of a liquefied gas-powered vehicle. Certain motor vehicle dealer's and interstate truckers are required to pay the tax to a licensed dealer when purchasing liquefied fuel. Dealers report and remit taxes due to the CPA on a quarterly basis. Licensed dealers selling liquefied gas receive 1 percent of the tax they collect as reimbursement for administrative expenses and remitting taxes in a timely manner. Interstate truckers purchasing liquefied gas receive 0.5 percent of the tax they pay to cover reporting requirements and for timely remittance of taxes. Exemptions are applied to public school districts and counties, certain commercial transportation companies, and metropolitan rapid transit authorities providing public school transportation.

The Texas Tax Code, Chapter 162, authorizes the CPA to retain up to 1 percent of all motor fuels taxes for administration and enforcement. Deductions for refunds and administration are made from the motor fuels tax on a monthly basis. After deductions, one-fourth of the net tax is deposited to the Available School Fund and one-half is deposited to the State Highway Fund for the state road system. The remaining one-fourth is deposited to the County and Road District Highway Fund until a total of $7.3 million is deposited during a fiscal year, at which point the remainder of the one-fourth of net collections is deposited to the State Highway Fund. Diesel and liquefied gas taxes are allocated in a slightly different manner. Deductions are also made from diesel and liquefied gas taxes for refunds and administrative purposes. After deductions, one-fourth of diesel and liquefied gas taxes are deposited to the Available School Fund. The remaining three-fourths of the taxes are deposited to the State Highway Fund. **Figure 9** shows the allocation of gasoline tax revenues, and **Figure 10** shows an overview of motor fuels tax revenues from fiscal years 2003 to 2013.

The state's gasoline tax of $0.20 per gallon is lower than the national average, which is $0.304 per gallon. When adjusted for inflation using the Consumer Price Index, the rate of gasoline and diesel fuel tax would need to be set at $0.34 per gallon to have the same purchasing power it did when it was set in 1991. Historically, most growth in motor fuels tax revenue is the result of legislative rate increases, population growth, and increased fuel consumption.

While motor fuels tax revenues in Texas are increasing, they are doing so at a decreasing rate. The nominal growth of motor fuels tax revenues since the last increase went into effect in 1991 has largely been the result of increases in the number of drivers and vehicle miles traveled in the state. **Figure 11** shows that when adjusted for population and vehicle miles traveled the growth rates appear smaller, and even negative, during some years.

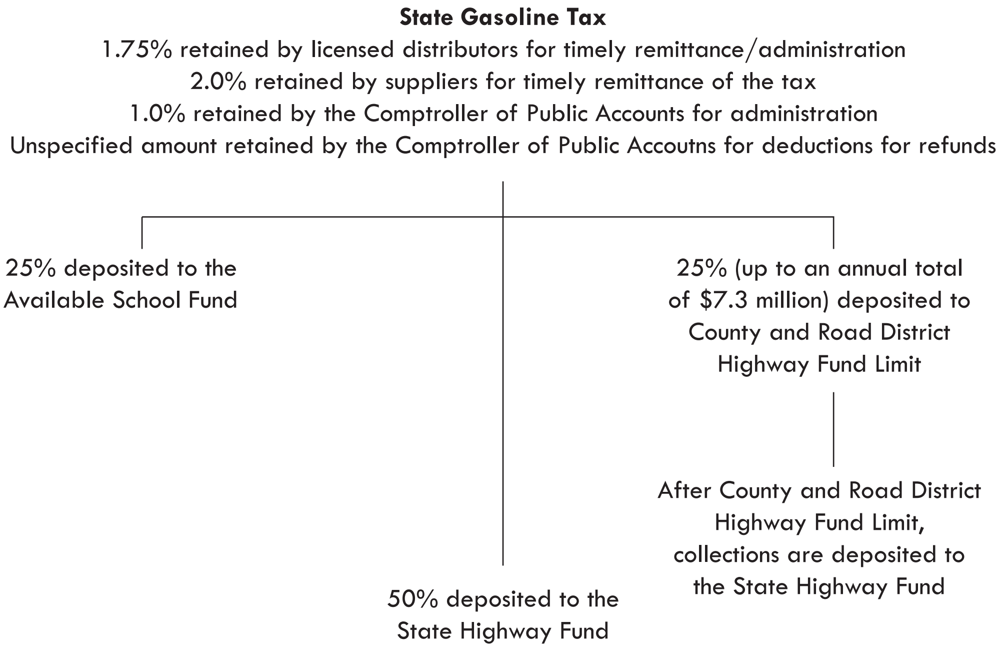
FEDERAL FUNDS

Federal transportation funding is primarily allocated from the Federal Highway Trust Fund, which is capitalized from federal gasoline and diesel taxes; truck, bus, and trailer taxes; tire taxes; heavy vehicle usage fees; taxes on alternative fuels; and revenue from the Leaking Underground Storage Tank Trust Fund. Texas is considered a donor state, meaning more money is deposited to the Federal Highway Trust Fund from the collection of federal taxes and fees in Texas than is returned to the state in Federal Funds for highways.

All Federal Funds allocated to Texas for transportation are statutorily required to be administered by TxDOT. **Figure 12** shows the distribution of matched and unmatched Federal Funds to the State Highway Fund as well as funds that pass-through the State Highway Fund before being allocated to other entities from fiscal years 2003 to 2012.

The majority of federal transportation funding provided to TxDOT is for highway planning and construction ($5.7

FIGURE 9
ANNUAL STATE GASOLINE TAX FUND ALLOCATION, FISCAL YEAR 2013



SOURCE: Legislative Budget Board.

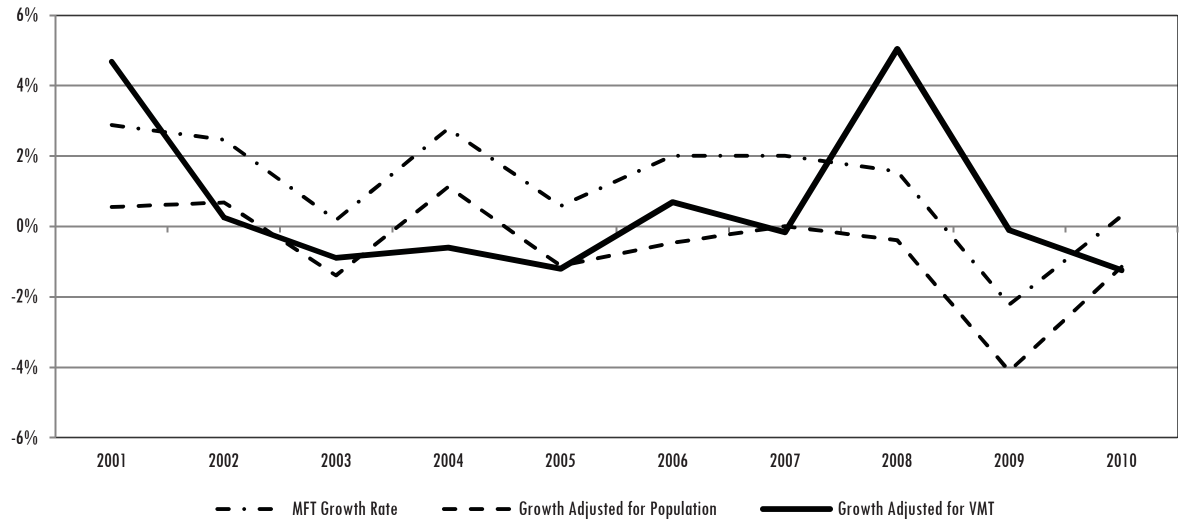
FIGURE 10
STATE MOTOR FUELS TAX REVENUES BY TYPE OF MOTOR FUEL, FISCAL YEARS 2003 TO 2013

FISCAL YEAR	TOTAL STATE MOTOR FUELS TAX REVENUE DEPOSITED TO STATE HIGHWAY FUND (IN MILLIONS)	TOTAL STATE MOTOR FUELS TAX REVENUE COLLECTED (IN MILLIONS)	TOTAL GASOLINE TAX REVENUES (IN MILLIONS)	TOTAL DIESEL TAX REVENUES (IN MILLIONS)	TOTAL LIQUEFIED TAX REVENUES (IN MILLIONS)
2003	$2,087.0	$2,838.8	$2,226.6	$610.6	$1.6
2004	$2,130.0	$2,917.8	$2,272.3	$643.9	$1.6
2005	$2,148.3	$2,934.5	$2,259.6	$673.4	$1.5
2006	$2,194.2	$2,993.6	$2,257.1	$735.0	$1.5
2007	$2,238.2	$3,053.7	$2,300.9	$751.6	$1.2
2008	$2,276.0	$3,101.5	$2,315.5	$784.9	$1.1
2009	$2,226.6	$3,032.7	$2,326.1	$705.5	$1.1
2010	$2,227.0	$3,041.9	$2,341.6	$699.3	$1.0
2011	$2,275.3	$3,104.1	$2,361.1	$742.0	$1.0
2012	$2,310.9	$3,169.2	$2,387.7	$780.5	$1.0

SOURCE: Comptroller of Public Accounts.

billion, or 92.4 percent, of Federal Funds in the 2012–13 biennium). All Federal Funds dedicated to roads are deposited into the State Highway Fund. Current federal funding allocations were set forth in Moving Ahead for Progress in the 21st Century (MAP-21). This federal legislation was signed into law on July 6, 2012 and replaced the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) that was set to expire in 2009 but was extended by Congress 10 times until July of federal fiscal year 2012. MAP-21 continues SAFETEA-LU authorized funding levels through federal fiscal year 2012. MAP-21 authorized an increase to state

FIGURE 11
GROWTH RATE OF MOTOR FUELS TAX COLLECTIONS, FISCAL YEARS 2001 TO 2010



NOTE: Motor fuels tax (MFT); Vehicle miles traveled (VMT).
SOURCE: Legislative Budget Board.

FIGURE 12
MATCHED AND UNMATCHED FEDERAL FUNDS FOR TRANSPORTATION PROGRAMS DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	TOTAL FEDERAL FUNDS (IN MILLIONS)	FEDERAL FUNDS – MATCHED (IN MILLIONS)	FEDERAL FUNDS – UNMATCHED (IN MILLIONS)	FEDERAL PASS-THROUGH REVENUE (IN MILLIONS)
2003	$2,625.3	$2,604.1	$16.9	$4.3
2004	$2,177.0	$2,776.4	$20.9	$26.1
2005	$3,321.3	$3,250.4	$25.0	$45.9
2006	$3,174.7	$3,090.6	$33.2	$50.9
2007	$2,072.3	$1,974.3	$32.8	$65.2
2008	$2,775.5	$2,690.1	$34.9	$50.5
2009	$2,710.4	$2,666.6	$39.3	$4.5
2010	$1,922.8	$1,868.2	$31.3	$23.3
2011	$2,124.5	$2,080.0	$34.1	$10.4
2012	$2,545.2	$2,511.7	$24.7	$8.8

SOURCE: Comptroller of Public Accounts.

apportionments from 92 percent to a minimum of 95 percent of the tax payments attributable to each state. MAP-21 also authorized funding increases for federal fiscal years 2013 and 2014 equivalent to the inflation rate in each of those fiscal years. Congress authorized up to $19.0 billion in federal General Revenue Funds to supplement any shortages in the Highway Trust Fund.

Prior to the enactment of SAFETEA-LU, few rescissions from transportation funding had been made. Texas was scheduled to receive $14.5 billion pursuant to SAFETEA-LU (2005–2009). However, from January 2005 to August 2011, 10 federal rescissions were made from amounts appropriated in SAFETEA-LU. Texas' share of these rescissions totaled $1,689.8 million and was primarily taken from unobligated apportionments. After rescissions, Texas was expected to receive approximately $12.3 billion in Federal Funds pursuant to SAFETEA-LU.

Many of the Federal Funds provided for highways are grant programs that require the state to provide matching funds. In rare instances, funds are provided for events such as natural disasters that do not require a match. **Figure 13** shows the federal aid programs that are the primary sources of federal highway funding for Texas.

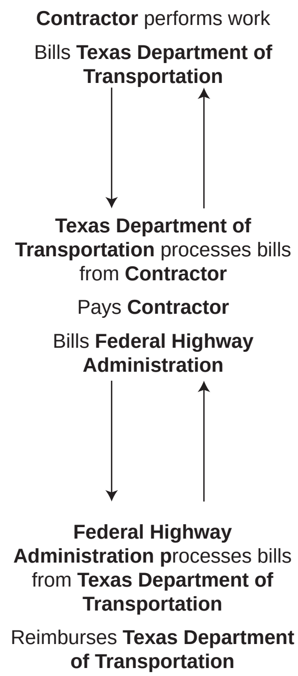
Federal Funds are typically provided to states as a reimbursement for expenditures the state has already made on transportation projects. **Figure 14** shows that, on federally approved projects, a contractor performs road construction or maintenance and is paid by TxDOT for the work. TxDOT then bills the Federal Highway Administration for the federal share of the project and is reimbursed. Once Federal Funds are obligated, the reimbursement process continues for the length of the project which can take several years. Therefore, funds may be obligated based only on amounts authorized by the U.S. Congress and Federal Highway Administration. Additionally, Federal Fund amounts presented in TxDOT's

FIGURE 13
MAJOR FEDERAL FUNDING SOURCES FOR ROADWAYS, FEDERAL FISCAL YEAR 2012

PROGRAM NAME	FEDERAL FUNDS ALLOCATED FOR FISCAL YEAR 2012 (IN MILLIONS)	AUTHORIZED USES
Transportation Equity Bonus	$1,192.5	Ensures that Texas' rate of return on contributions to the Highway Trust Fund do not drop below a given amount (121 percent for 2012). The federal share allocated to specific projects ranges from 80 percent to 100 percent, depending on the project.
Surface Transportation Program	$550.1	For use on any federal-aid highway and funds are available for four years. The federal share ranges from 80 percent to 100 percent.
National Highway System	$518.2	Funds for improving urban and rural roads and funds are available for four years. The federal share ranges from 80 percent to 90 percent.
Interstate Maintenance	$411.0	Funds for certain activities on the Interstate System and funds are available for four years. The federal share is 90 percent.
Bridge Rehabilitation and Replacement Program	$134.8	Funds for certain activities relating to highway bridges and bridges on public roads. The federal share is 80 percent.
Congestion Mitigation and Air Quality Improvement	$104.1	Projects must be in air-quality nonattainment and maintenance areas for ozone, carbon monoxide, and small particulate matter. The federal share is 80 percent.
Highway Safety Improvement Program	$86.2	Applies to public roads, publicly owned bicycle and pedestrian paths, rail crossings, and certain rural roads. The federal share is 90 percent to 100 percent.
Coordinated Border Infrastructure Program	$55.4	Applies to roads used to move motor vehicles at or across the border between the U.S. and Mexico. The federal share is 80 percent to 100 percent.
Metropolitan Planning	$22.1	For distribution to Metropolitan Planning Organizations to develop transportation plans and improvement programs. The federal share is 80 percent.
State and Community Highway Safety Grants	$17.2	Must be used only for highway safety purposes, and the federal share is 80 percent. In fiscal year 2012, TxDOT received 96.4 percent of these funds while other state agencies received the remaining 3.6 percent.
Railway-Highway Crossings Program	$16.8	Funds must be used to install and upgrade protective devices at rail crossings. The federal share is 90 percent.
Safe Routes to Schools Program	$15.1	Funds are to be used for planning, developing, and implementing projects improving safety and reducing congestion near schools. The funds are provided directly to communities.

Note: Funding allocations only reflect federal transportation funds directed to Texas state agencies and do not include federal funds distributed directly to local entities.
Source: Legislative Budget Board.

FIGURE 14
REIMBURSEMENT PROCESS FROM FEDERAL HIGHWAY ADMINISTRATION (FHWA)



SOURCE: Legislative Budget Board.

budget represent projected reimbursements from existing and future obligations.

The Texas Constitution was amended in 1988 to include Article VIII, Section 7-b. This provision provides that federal reimbursements for state funds dedicated by the state constitution for and spent to acquire rights-of-way, to construct and maintain public roads, and to police public roads are constitutionally dedicated to those purposes. The Texas Transportation Code, Chapter 222, Subchapter B, gives statutory guidance for the use of Federal Funds for transportation. This chapter requires that all federal funding appropriated to Texas for public road construction be spent by or under the supervision of TxDOT. The Texas Transportation Commission (TTC) is required to distribute federal aid for transportation by selecting highway projects that meet requirements established by federal formulas. During fiscal year 2012, $8.8 million in Federal Funds for transportation-related projects passed through TxDOT that were ultimately provided to other entities such as DPS and local governments.

The federal government has also established several financing mechanisms that states may use to more quickly generate funds for highway construction and maintenance. Any federally funded surface transportation project may use private activity bonds issued through a public entity after the federal government has approved a public-private agreement and the issuance of bonds between a private and state entity. Private activity bonds are intended to incentivize the private sector to participate in financing projects by providing a tax exemption on interest earned from bond proceeds.

The federal government created the State Infrastructure Bank (SIB) program in 1995, and Texas was chosen as one of 10 states in which to test the program. The creation of Texas' SIB program was authorized during the Seventy–fifth Legislature, 1997. The SIB program is overseen by TTC and operates as a revolving loan program in the State Highway Fund, which provides lower interest rates to local entities constructing federally approved surface transportation projects. At the end of fiscal year 2011, TTC had approved 94 SIB loans totaling approximately $477 million. TxDOT estimates that these loans have leveraged almost $3.5 billion for Texas transportation projects.

The federal Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) was enacted in 1998 and authorized the U.S. Department of Transportation to provide secured loans, loan guarantees, and standby lines of credit to major surface transportation projects. These forms of credit are intended to generate private and non-federal co-investment in projects improving the surface transportation system. As of federal fiscal year 2011, six projects in Texas had been approved for TIFIA assistance. Combined, these projects received more than $3.3 billion in TIFIA loans.

Congress passed the American Recovery and Reinvestment Act (ARRA) in February 2009. Under ARRA, Texas was allocated $2.25 billion in federal highway and bridge construction funds for "ready to go" projects. In the 2010–11 biennium, TxDOT expended an estimated $1.6 billion in ARRA funds for highway and bridge construction. TxDOT's total Federal Funds appropriations for the 2012–13 biennium included an estimated $576.8 million in ARRA funds for highway and bridge construction. The federal ARRA legislation also provided funds for the Build America Bond (BAB) program, which authorizes state and local governmental entities to issue taxable bonds to finance capital projects and provides federal subsidies to offset the entities' borrowing costs. The BAB program provides a direct federal subsidy in an amount equal to 35 percent of the total interest payments made to investors throughout the term of the debt. TTC has used the BAB program to issue Texas

Mobility Fund bonds, State Highway Fund bonds, and Proposition 12 General Obligation (GO) bonds.

STATE HIGHWAY FUND REVENUE BONDS AND SHORT-TERM NOTES

In 2003, both the Texas Constitution and the Texas Transportation Code were amended to allow TTC to issue bonds, public securities, and enter into credit agreements secured by a pledge and payable from revenues in the State Highway Fund. The Texas Transportation Code was amended again in 2007 to set the maximum aggregate principal amount of State Highway Fund Revenue Bonds that may be issued at $6.0 billion. Of this $6.0 billion, $1.2 billion of the principal amount of State Highway Fund Revenue Bonds was set aside for projects that reduce accidents or improve hazardous locations on the state highway system; and the principal amount of State Highway Fund Revenue Bonds that may be issued is limited to $1.5 billion per fiscal year. Because these bonds are secured by revenues in the State Highway Fund, they do not count toward the state's constitutional debt limit. State Highway Fund Revenue Bonds must:

- mature within 20 years of their dates of issuance, subject to any refundings or renewals; and
- have a principal amount or terms that do not cause annual expenditures relating to State Highway Fund Revenue Bonds to exceed 10 percent of the amount deposited to the State Highway Fund in the immediately preceding year.

Figure 15 shows revenues deposited to the State Highway Fund from the issuance of bonds. **Figure 16** provides details of State Highway Fund Bond issuances through fiscal year 2012. At the end of fiscal year 2012, $4,599.3 million in State Highway Fund bonds had been issued. Therefore, $1,400.7 million in State Highway Fund Bonds may still be issued under the statutory cap. TxDOT has committed the entire authorized amount to projects and has indicated it plans to issue $1.4 billion in State Highway Fund Bonds to make progress payments on projects. Additionally, all of the $1.2 billion in State Highway Fund Bonds set aside for safety projects has been allocated. For the 2012–13 biennium, $757.8 million in All Funds was appropriated for State Highway Fund bond debt service, as shown in **Figure 17**.

FIGURE 15
REVENUES DEPOSITED TO THE STATE HIGHWAY FUND FROM THE ISSUANCE OF BONDS FISCAL YEARS 2006 TO 2012

FISCAL YEAR	REVENUES FROM THE SALE OF GENERAL OBLIGATION/REVENUE BONDS (IN MILLIONS)
2006	$628.2
2007	$1,000.6
2008	$1,473.0
2009	$0.0
2010	$1,492.0
2011	$0.0
2012	$0.0

SOURCE: Comptroller of Public Accounts.

FIGURE 16
STATE HIGHWAY FUND REVENUE BOND ISSUANCES, CALENDAR YEARS 2006 TO 2012

TYPE OF BOND	AMOUNT (IN MILLIONS)	DATE ISSUED
Series 2006	$600.0	May 3, 2006
Series 2006B	$100.0	November 8, 2006
Series 2006A	$852.6	November 21, 2006
Series 2007	$1,241.8	October 25, 2007
Series 2008	$163.0	August 19, 2008
Series 2010	$1,500.0	July 27, 2010

SOURCE: Texas Department of Transportation.

FIGURE 17
STATE HIGHWAY FUND REVENUE BOND DEBT SERVICE EXPENDITURES, FISCAL YEARS 2008 TO 2013

FISCAL YEAR	STATE HIGHWAY FUND (IN MILLIONS	FEDERAL SUBSIDY (IN MILLIONS)	GENERAL REVENUE (IN MILLIONS)
2007	$65.6	$0.0	$0.0
2008	$37.9	$0.0	$112.5
2009	$229.7	$0.0	$0.0
2010	$221.8	$0.0	$15.7
2011	$270.5	$17.7	$0.0
2012	$287.9	$27.0	$0.0

NOTE: The federal subsidy refers to the Build America Bonds interest subsidy used for the 2010 issuance.
SOURCE: Texas Department of Transportation.

Two short-term borrowing options are also available to TxDOT to provide funds for deposit into the State Highway Fund. Highway Tax and Revenue Anticipation Notes (TRANs) were authorized in 2003. TTC is allowed to issue these if a temporary cash flow shortfall in the State Highway Fund is anticipated. A Cash Management Committee comprised of the Governor, Lieutenant Governor, Speaker of the House, and Comptroller of Public Accounts must approve the issuance of any TRANs based on State Highway Fund cash flow shortfall forecasts created by TTC. The maximum amount of TRANs that can be issued at any given time is the maximum cash flow shortfall forecasted. TRANs are required to mature during the biennium in which they are issued and proceeds must be placed in a special fund in the State Treasury and transferred as necessary to the State Highway Fund. TRANs and related credit agreements may be repaid from the State Highway Fund. To date, no TRANs have been requested or issued.

In 2003, the Texas Constitution and the Texas Transportation Code were amended to allow TTC to authorize TxDOT to borrow money from any source to carry out its functions. The purpose of this is to facilitate efficient cash management operations in the State Highway Fund due to fluctuations caused by the cyclical nature and timing of deposits and payments. This loan may be an agreement, note, contract, or other form, and the term of the loan is prohibited from exceeding two years. The total amount of loans issued and outstanding cannot exceed twice the average monthly revenue deposited to the State Highway Fund during the 12 months preceding the loan. The loan may be repaid from legislative appropriations deposited to the State Highway Fund, and notes must be reviewed and approved by the Bond Review Board before issuance. These amendments allowed TTC to establish a commercial paper program in 2005 and authorize TxDOT to issue a maximum of $500 million in notes. The first issuance of commercial paper was during fiscal year 2006, as shown in **Figure 18**. At the end of fiscal year 2012, no principal for short-term borrowing was outstanding.

FIGURE 18
REVENUES DEPOSITED TO THE STATE HIGHWAY FUND FROM THE ISSUANCE OF COMMERCIAL PAPER, FISCAL YEARS 2006 TO 2012

FISCAL YEAR	REVENUES FROM THE ISSUANCE OF COMMERCIAL PAPER (IN MILLIONS)
2006	$300.0
2007	$170.0
2008	$270.0
2009	$445.0
2010	$60.0
2011	$0.0
2012	$0.0

SOURCE: Comptroller of Public Accounts.

MOTOR VEHICLE REGISTRATION FEES

Motor vehicle registration fees were established by the Thirty-fifth Legislature, 1917, at the rate of $0.35 per horsepower with a minimum fee of $7.50. Numerous rate and base changes have occurred since 1917. Motor vehicle registration fee rates were based on the type, age, or weight of a motor vehicle. The Eighty-first Legislature, Regular Session, 2009, passed House Bill 2553 to amend motor vehicle registration fees, effective September 1, 2011. Under House Bill 2553 the fee for most passenger vehicles became $50.75 as of September 1, 2011. State residents are required to register their vehicles and pay the motor vehicle registration fee on an annual basis. **Figure 19** shows the amount of motor vehicle registration fees deposited to the State Highway Fund and the number of motor vehicles registered in Texas during the past 10 fiscal years.

FIGURE 19
MOTOR VEHICLE REGISTRATION FEE REVENUES DEPOSITED TO THE STATE HIGHWAY FUND FISCAL YEARS 2003 TO 2012

FISCAL YEAR	MOTOR VEHICLE REGISTRATION FEE REVENUES (IN MILLIONS)	NUMBER OF MOTOR VEHICLES REGISTERED IN TEXAS (IN MILLIONS)
2003	$789.1	18.1
2004	$845.8	18.5
2005	$875.1	19.1
2006	$932.7	20.1
2007	$984.2	20.9
2008	$1,024.0	21.2
2009	$1,066.2	21.4
2010	$1,111.3	21.6
2011	$1,139.8	21.9
2012	$1,304.2	22.6

SOURCE: Comptroller of Public Accounts.

Different categories of registration fees ranging between $0 and $10,000 apply to vehicles not classified as passenger cars or for certain activities that occur at the time of registration such as the verification of financial responsibility. The top 10 revenue-generating motor vehicle registration fees deposited to the State Highway Fund from these vehicles and plates are shown in **Figure 20**. Additional fees also apply for specialty plates and souvenir plates. Most fees from specialty and souvenir plates are deposited to the General Revenue Fund, while most fees from non-personalized license plates are deposited to the State Highway Fund.

FIGURE 20
TOP 10 REVENUE GENERATING MOTOR VEHICLE REGISTRATION FEES EXCLUDING PASSENGER VEHICLES, FISCAL YEAR 2012

FEE CATEGORY	FISCAL YEAR 2012 REVENUE (IN MILLIONS)	FISCAL YEAR 2012 VOLUME (IN MILLIONS UNLESS OTHERWISE NOTED)
Vehicles weighing more than 6,000 lbs	$293.8	Varies
Trailer, Travel Trailer, or Semitrailer	$61.0	Varies
Motor Carrier International Registration Plan	$43.1	Varies
Automated Registration and Title System	$23.6	23.6
Financial Responsibility Program	$20.4	20.4
Annual Envelope Permit	$18.4	Under 10,000
Dispose of Abandon Motor Vehicle Fee	$17.4	Varies
Buyer's Temporary Tags	$15.6	Varies
Motorcycle or Moped	$13.0	Under 500,000
Quarterly Hubometer Permits	$10.2	Under 30,000

Note: Revenue only represents revenues that were deposited to the State Highway Fund, and does not include any revenue generated for the General Revenue Fund or counties. The volume and revenue generated from offenses of certain exhibition vehicles and certain farm vehicles and drilling construction equipment could not be determined, as a result these fees were not considered.
Source: Department of Motor Vehicles.

The Texas Transportation Code, Section 502.102, provides the manner in which all required motor vehicle registration fees (excluding specialty and souvenir plates) are divided on a weekly basis. This is shown in **Figure 21**. County tax assessor-collectors also collect motor vehicle sales taxes. Prior to 1992, counties retained 5 percent of the motor vehicle sales taxes they collected. Beginning in 1992, counties no longer retained motor vehicle sales tax. Instead, they retained an additional amount of motor vehicle registration fees equal to 5 percent of the motor vehicle sales tax collected by the county. The Seventy-eighth Legislature, 2003, passed legislation that phased in a reversal of this revenue exchange. The reversal started in fiscal year 2004 and will be completed in 2015, when the counties will again retain 5 percent of the motor vehicle sales tax they collect.

FIGURE 21
WEEKLY MOTOR VEHICLE REGISTRATION FEE ALLOCATION, FISCAL YEAR 2006 TO THE PRESENT

Motor Vehicle Registration Fees
($50.75 for vehicles that weigh 6,000 lbs. or less)
collected by County Tax Assessor-Collector

County Road and Bridge Fund
($350 for each mile of county road maintained not to exceed 500 miles; amounts retained for administration until a combined total of $60,000 is reached.)

County Road and Bridge Fund
50% of net collections untilthe amount credited for the calendar year equals $125,000)

TxDOT
50% of net collections; deposited to the State Highway Fund

After County Road and Bridge Fund
Limit--TxDOT (State Highway Fund)

Source: Legislative Budget Board.

County tax assessor-collectors are statutorily authorized to deposit all motor vehicle registration fees collected into an interest-bearing account or certificate in the county depository for approximately one month upon collection. County tax assessor-collectors are then required to remit the fees to TxDOT but may retain the interest earned on these fees while they are in the county depository. TTC and TxDOT are required to deposit all revenue received from motor vehicle registration fees to the State Highway Fund pursuant to the Texas Transportation Code, Section 502.051.

In 1946, the Texas Constitution was amended to add Article VIII, Section 7-a. This requires that motor vehicle registration fees may not be less than the maximum amount counties are allowed to retain under the legal rate during 1945. It also requires net revenues collected from motor vehicle registration fees to be used solely for acquiring rights-of-way, constructing, maintaining, and policing public roadways, and administration of traffic and safety laws on public roadways.

MOTOR VEHICLE REGISTRATION FEES FOR SPECIAL VEHICLES

Motor vehicle registration fees for special vehicles are applied to oversized and overweight motor vehicles and manufactured housing. These fees were first implemented by the Forty-first Legislature, 1929. The rates vary by vehicle type, weight, dimension, and trip. Many of these fees were amended by the Eighty-first Legislature, 2009, through House Bill 2553 and the new fees went into effect on September 1, 2011. **Figure 22** shows an overview of the current motor vehicle registration fees for special vehicles. Allocations of revenue generated by special motor vehicle registration fees vary depending on the permit, and are deposited into either the General Revenue Fund or State Highway Fund, as shown in **Figure 23.**

FIGURE 22
MOTOR VEHICLE REGISTRATION FEES FOR SPECIAL VEHICLES, FISCAL YEAR 2012

REGISTRATION CATEGORY	FEE AMOUNT	ALLOCATION OF REVENUE
Cotton or Cotton-related Equipment	$0 (previous fee of $8)	None (previously State Highway Fund)
Excess Weight	Base fee of $90 plus an additional $175 to $1,000 based on the number of counties designated	$50 of each base fee deposited to the county road and bridge fund and the remainder of the base fee deposited to the State Highway Fund; the additional fee is split between the General Revenue Fund for distribution to counties and the State Highway Fund but the split varies depending upon the number of counties designated
Ferry Sticker	$0 (previous fees from $150 to $800 applied)	State Highway Fund
Forestry Vehicles	$0 (previous fee of $8)	None (previously State Highway Fund)
Hay Transports	$10	State Highway Fund
Manufactured Housing (single trip)	$40	$19.70 to General Revenue Fund; $20.30 to State Highway Fund
Manufactured Housing (annual permit)	Not to exceed $3,000, currently set by DMV at $1,500	Escrow account for the payment of permit fees
Overlength Vehicle for Electrical Poles	$120	State Highway Fund
Oversize and Overweight Motor Vehicle	$60 to $270	50% to General Revenue Fund; 50% to State Highway Fund
Highway Maintenance Fee	$150 to $375	State Highway Fund
Super Heavy or Oversize Equipment	Not to exceed $9,000	State Highway Fund
Certain Port Authorities and Chambers County Fee	Not to exceed $80	Port authority may retain up to 15 percent; the remainder is deposited to the State Highway Fund for use on selected state highway corridors

FIGURE 22 (CONTINUED)
MOTOR VEHICLE REGISTRATION FEES FOR SPECIAL VEHICLES, FISCAL YEAR 2012

REGISTRATION CATEGORY	FEE AMOUNT	ALLOCATION OF REVENUE
Victoria County Navigation District Fee	$100	Port authority may retain up to 15 percent; the remainder is deposited to the State Highway Fund for use on selected state highway corridors
Oversize and Overweight for Oil Well Servicing	Minimum of $31, fee varies based on size, weight, and distance traveled	State Highway Fund
Oversize Portable Buildings	$15	50% to General Revenue Fund; 50% to State Highway Fund
Unladen Lift Equipment (single trip)	Minimum of $31, fee varies based on size, weight, number of axles, and distance traveled	State Highway Fund
Unladen Lift Equipment (annual permit)	$100	50% to General Revenue Fund; 50% to State Highway Fund

Source: Legislative Budget Board.

FIGURE 23
SPECIAL VEHICLE REGISTRATION FEES DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	SPECIAL VEHICLE REGISTRATION FEES (IN MILLIONS)
2003	$13.4
2004	$14.4
2005	$16.7
2006	$20.4
2007	$23.4
2008	$55.9
2009	$70.3
2010	$61.7
2011	$81.7
2012	$101.8

Source: Comptroller of Public Accounts.

FIGURE 24
SALES TAX ON LUBRICANTS REVENUES DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	SALES TAX ON LUBRICANTS REVENUES (IN MILLIONS)
2003	$30.9
2004	$31.7
2005	$33.0
2006	$34.9
2007	$36.8
2008	$38.9
2009	$39.6
2010	$40.4
2011	$41.0
2012	$41.8

Source: Comptroller of Public Accounts.

SALES TAX ON LUBRICANTS

The state's first sales tax was passed by the Fifty-seventh Legislature, 1961, and included motor fuel lubricants among taxable items. The sales tax on motor fuel lubricants is regulated by the Texas Tax Code, Section 151.801. All revenues generated from the sale, storage, or use of lubricating and motor oils used for motor vehicles on public roadways are statutorily required to be deposited to the State Highway Fund. The CPA is required to use available statistical data to estimate the consumption or sales of motor fuel lubricants and determine the amount of the state sales tax that should be deposited to the State Highway Fund from motor fuel lubricants based on this estimation. **Figure 24** shows the amount of revenue deposited to the State Highway Fund from taxes on motor fuel lubricants since fiscal year 2003.

Article VIII, Section 7-a of the Texas Constitution requires that all revenues generated from taxes on motor fuel lubricants used to propel motor vehicles over public roadways be used solely for acquiring rights-of-way; constructing, maintaining, and policing public roadways; and the administration of traffic and safety on public roadways.

TOLL REVENUES AND COMPREHENSIVE DEVELOPMENT AGREEMENTS

Toll facilities are regulated pursuant to the Texas Transportation Code, Chapter 222, Subchapter E. TxDOT is authorized to expend funds from any source for the construction, maintenance, and operation of the toll facility of a public or private entity. TTC may require repayment of funds TxDOT uses on a toll facility of a public entity, and TTC is statutorily required to receive repayment of funds spent on a toll facility of a private entity. TxDOT is prohibited from providing grants for the cost of a toll facility of a public entity in amounts greater than an annual average of $2 billion over a period of five fiscal years. The calculation of these expenditures does not include funds that are required to be repaid, including those subject to a legally binding agreement with a public entity. The Eighty-first Legislature, Regular Session, 2009 passed Senate Bill 883 to prohibit money in the State Highway Fund from being encumbered to guarantee a loan or insure bonds associated with a toll facility of a public or private entity.

The first toll road operated by TxDOT was the Camino Columbia toll road in Webb County. This toll road was opened in October 2000 by a private operator and after three years was foreclosed upon. The road was auctioned for $12 million in 2004 and later purchased by TxDOT from the John Hancock Insurance Company for approximately $20 million. **Figure 25** shows the toll revenues generated by toll roads for the State Highway Fund.

FIGURE 25
TOLL REVENUES DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2006 TO 2012

FISCAL YEAR	TOLL REVENUE (IN MILLIONS)
2006	–
2007	$4.7
2008	$9.4
2009	$1.6
2010	$3.4
2011	$6.6
2012	$8.8

SOURCE: Comptroller of Public Accounts.

TxDOT opened toll roads in the north Dallas metropolitan area during 2006 that were an expansion of State Highway (SH) 121. In September 2008, the North Texas Tollway Authority (NTTA) took over SH 121, which became the 121 Tollway. In exchange for control of the 121 Tollway, NTTA paid TxDOT an agreed upon amount of $3.2 billion. In fiscal year 2011, TxDOT entered into another toll facility agreement with NTTA for the development of the State Highway 161 toll project. Under the agreement, NTTA made an up-front payment to the state in the amount of $458 million for the right to develop, finance, design, construct, operate, and maintain the State Highway 161 toll project from Interstate 20 to State Highway 183 in Dallas County over a term of 52 years. **Figure 26** shows the amount of revenue generated from public and private toll facility agreements for the State Highway Fund.

FIGURE 26
REVENUES FROM PUBLIC AND PRIVATE TOLL FACILITY AGREEMENTS DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2008 TO 2012

FISCAL YEAR	REVENUES FROM PUBLIC AND PRIVATE TOLL FACILITY AGREEMENTS (IN MILLIONS)
2008	$3,222.9
2009	$0.0
2010	$0.0
2011	$458.0
2012	$18.1

SOURCE: Legislative Budget Board.

The agreement between TxDOT and NTTA was the result of changes authorized by the Eightieth Legislature, 2007. Prior to the Eightieth Legislature, local transportation entities such as the Harris County Toll Road Authority and the North Texas Tollway Authority were not authorized to use all the financing mechanisms available to TxDOT to finance and construct transportation projects. Senate Bill 792 expanded the financing options available to local authorities for the financing of transportation projects. As a result of this legislation, certain counties and local toll project entities were given the first option to develop, finance, construct, and operate a toll project. The legislation also created a process to conduct a market valuation of a project and required local entities to pay TxDOT for the value of the project or construct other transportation projects in the region worth an equal amount.

In 2006, portions of the Central Texas Turnpike System were opened with the completion of certain segments of SH 45 and SH 130 in the greater Austin area. TxDOT pledged $700 million toward the payment of construction costs for the Central Texas Turnpike System. This pledge covered 19 percent of the projected $3.7 billion needed for the project.

Segments five and six of the SH 130 project were contracted for in 2008 through a comprehensive development agreement (CDA). A CDA is an agreement with a private entity that typically provides for the design and construction of certain transportation projects but may also provide for the financing, acquisition, maintenance, and operation of transportation projects. In the case of SH 130, sections five and six, the SH 130 Concession Company has a contract to design, build, finance, and operate the road for a term of 50 years after the service commencement date. The company provided all of the necessary funding to build sections five and six of SH 130, including the costs of right-of-way, and provided a $25 million concession payment to the state. The estimated cost for constructing sections five and six of SH 130 was $1.35 billion. The company will also operate the road and collect tolls until the end of its contract in 2058. During this time the company will retain a percentage of the tolls collected. The state will also receive a share of the tolls collected; which will increase proportionately with toll revenues until the state reaches a 50/50 split in revenues. Design-build agreements have previously been used to construct roads in Texas, but SH 130 was the first Texas highway to be developed under a design-build-finance-operate agreement.

The market valuation process established pursuant to Senate Bill 792, Eightieth Legislature, Regular Session, expired at the end of fiscal year 2011. The Eighty-second Legislature, Regular Session, passed Senate Bill 19 which established a more permanent process to determine the entity that will develop, finance, and construct a toll project located in the territory of a local toll entity, including a regional mobility authority, regional tollway authority, or a county toll road authority. Pursuant to the new provisions, the local toll project entity continues to have the first option to develop, finance, and construct a toll project within its territory. The legislation established requirements for notification by the local toll project entity of its intent to exercise its option and timelines within which the entity must exercise the option after notification. If the local toll project entity fails or declines to exercise the option, TxDOT then has the option to undertake the toll project.

PASS-THROUGH TOLLING

The Pass-Through Tolling Program, commonly known as the Pass-Through Financing Program, was authorized when the Seventy-ninth Legislature, Regular Session, 2005, amended the Texas Transportation Code, Section 222.104. Under a pass-through financing agreement, a local government or private entity funds the upfront cost for constructing a state highway project. When the project opens to traffic, TxDOT begins reimbursing the upfront costs over time based on the number of vehicles that use the highway each year. The amount of reimbursement is subject to rates for vehicle usage (per vehicle or vehicle miles traveled) and annual minimum and maximum reimbursement amounts specified in each agreement. All funds available to TxDOT, except for funds generated by Texas Mobility Fund bonds, are authorized for the purpose of making a pass-through toll payment.

The first pass-through toll agreement was executed between TxDOT and Montgomery County. This agreement was approved in 2005 and allowed for transportation improvements to certain farm roads and state highways in Montgomery County. At the end of fiscal year 2012, a total of 37 pass-through financing agreements had been executed, with a maximum total repayment obligation of approximately $1.7 billion. An additional 10 projects with a pass-through financing amount of $124.4 million are pending approval by TTC.

HIGHWAY BEAUTIFICATION FEES

Highway Beautification Fees were authorized by the Sixty-second Legislature, 1972, and the Texas Highway Beautification Account was established as a dedicated account in the General Revenue Fund by the Seventy-fifth Legislature, 1997. The Eighty-second Legislature, Regular Session, passed Senate Bill 1420 which abolished the Texas Highway Beautification Account in the General Revenue Fund and required TxDOT to deposit all outdoor advertising fees into the State Highway Fund.

These fees are statutorily required to be used to regulate the erection and maintenance of outdoor advertising and develop right-of-way and other lands within view of highways in for compliance with the Highway Beautification Act of 1965. Persons erecting or maintaining signs or advertising within 660 feet of an interstate highway are required to pay Highway Beautification Fees. The TTC sets the fees at an amount that is reasonable to cover administration. Persons applying for a license to erect or maintain signs for advertising are also required to pay a surety bond of $2,500 for each county in which outdoor advertising will be maintained, up to $10,000. This bond is used to reimburse the costs of removing unlawfully erected or maintained signs. Nonprofit organizations that erect and maintain a sign in a municipality or its extra territorial jurisdiction cannot be charged a fee exceeding $10 for the combined cost of licenses and permits to comply with Highway Beautification Fees.

Highway Beautification fees are used to monitor and control the use of outdoor advertising adjacent to interstate and primary highways. The majority of these funds are used in conjunction with maintenance and construction of the state highway system. **Figure 27** shows the amount of Highway Beautification Fee revenues since fiscal year 2003.

FIGURE 27
REVENUES AND APPROPRIATIONS FROM HIGHWAY BEAUTIFICATION FEES, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	HIGHWAY BEAUTIFICATION FEE REVENUES (IN MILLIONS)
2003	$0.65
2004	$0.62
2005	$0.65
2006	$0.77
2007	$0.63
2008	$0.72
2009	$0.83
2010	$0.61
2011	$0.65
2012	$1.20

Source: Comptroller of Public Accounts.

OTHER SOURCES OF REVENUE

Certificate of title fees became effective on October 1, 1939 to address auto theft ownership disputes. Some revenue from motor vehicle certificate of title fees was deposited to the State Highway Fund; however, this allocation was altered beginning in fiscal year 2009. Further details regarding the relationship between revenues generated by motor vehicle certificate of title fees for the State Highway Fund, Texas Mobility Fund, and Texas Emissions Reduction Plan are discussed later. **Figure 28** shows the amount of vehicle certificate fee revenue deposited to the State Highway Fund since fiscal year 2003.

The Sixty-second Legislature, 1971, provided that each motor vehicle manufacturer, distributor, dealer, and representative operating in Texas must apply for a motor vehicle business license. The fees for these licenses range from $20 to $900, depending on the occupation of the person applying for the license. Fees are also assessed for complaints or protests filed with the Department of Motor Vehicles against a person with a motor vehicle business license, and for amendments to or duplicate licenses. All revenues from motor vehicle business licenses are deposited to the State Highway Fund, and revenues from motor vehicle business licenses and related complaints or protests are the only category of commercial transportation fees deposited to the State Highway Fund. **Figure 29** shows information regarding the revenue generated for the State Highway Fund from commercial transportation fees from fiscal years 2003 to 2012.

FIGURE 28
VEHICLE CERTIFICATE FEES DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	VEHICLE CERTIFICATE FEES (IN MILLIONS)
2003	$18.1
2004	$23.5
2005	$24.4
2006	$25.9
2007	$25.8
2008	$26.6
2009	$25.8
2010	$25.7
2011	$26.4
2012	$28.1

Source: Comptroller of Public Accounts.

FIGURE 29
COMMERCIAL TRANSPORTATION FEES DEPOSITED TO THE STATE HIGHWAY FUND, FISCAL YEARS 2003 TO 2012

FISCAL YEAR	COMMERCIAL TRANSPORTATION FEES (IN MILLIONS)
2003	$8.8
2004	$8.7
2005	$8.8
2006	$8.8
2007	$8.9
2008	$8.7
2009	$11.6
2010	$7.9
2011	$8.2
2012	$4.3

Source: Comptroller of Public Accounts.

TEXAS MOBILITY FUND

The Texas Mobility Fund (TMF) was established in 2001 when voters approved Proposition 15, adding Article III, Section 49-k to the Texas Constitution. TMF may be used to finance the acquisition, construction, maintenance, reconstruction, and expansion of state highways, including costs of design and right-of-way acquisition. The establishment of TMF was a deviation from the pay-as-you-go system and allowed TTC to borrow money for construction and maintenance of the highway system for the first time. Additionally, the passage of Proposition 15 overturned a constitutional provision passed in 1954 that prohibited the use of state funds or credit to build or maintain toll roads unless the road could be self-financed through money generated from the tolls levied.

The constitutional amendment authorized the Legislature to dedicate a source of revenue to the fund; although it did not specify any sources of dedicated revenue. The constitutional amendment prohibited changing a dedication of revenue to the fund while bonds are outstanding unless an alternative dedication of equal or greater value is made. The Texas Constitution prohibits the Legislature from devoting revenue from the collection of motor vehicle registration fees and taxes on motor fuels and lubricants that is constitutionally dedicated for acquiring rights-of-way and constructing, maintaining, and policing public roadways to TMF. However, the Legislature is authorized by the Texas Constitution to dedicate other sources of revenue allocated for the same purposes to the Mobility Fund. Finally, the amendment removed a requirement that any funds used from the State Highway Fund on toll roads, toll bridges, or turnpikes be repaid by the Texas Turnpike Authority and authorized TxDOT to use state funds for the acquisition, construction, maintenance, or operation of toll projects.

Senate Bill 4, Seventy-seventh Legislature, 2001, authorized TTC to issue bonds and to pledge the state's full faith and credit to guarantee payment of obligations issued under TMF if certain requirements surrounding the bonds are adhered to.

ISSUANCE AND SALE OF OBLIGATIONS

TTC is authorized by the Texas Constitution and the Texas Transportation Code to issue and sell obligations and enter into related credit agreements payable from and secured by a pledge of money on deposit in the TMF. The Texas Transportation Code authorizes the bonds to be used for any of the following purposes:

- the cost of constructing, reconstructing, acquiring, and expanding state highways that will have an expected useful life of not less than 10 years;
- for participation in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects considered to improve mobility;
- to create debt service reserve accounts;
- to pay interest on obligations for no more than two years;
- to refund or cancel outstanding obligations; and
- to pay for the cost of issuance.

Bonds secured by the TMF are prohibited from having a maturity exceeding 30 years, and during each year the obligations are scheduled to be outstanding, estimated available revenue (as determined by the CPA), must be at least 110 percent of the requirements to pay debt service on the proposed obligations for the year. The issuance of obligations is prohibited until a strategic plan outlining proposed expenditures and the benefits of projects using funds from TMF is prepared.

TMF bonds are self-supporting General Obligation bonds; therefore, they are not considered in calculating the state's constitutional debt limit. As of the end of fiscal year 2012, the Bond Review Board (BRB) had authorized the issuance of $7.2 billion in TMF bonds. Eight series of obligations secured by the Mobility Fund have been issued totaling approximately $6.3 billion, as shown in **Figure 30**. **Figure 31** shows the amount of revenue deposited to TMF from the issuance of bonds. During the 2012–13 biennium approximately $692.7 million was appropriated for TMF bond debt service. At the end of fiscal year 2012, the principal amount of TMF parity debt outstanding was $6 billion, leaving approximately $1.2 billion in authorized but unissued debt. **Figure 32** shows the amount expended on TMF bond debt service for the past eight fiscal years.

FIGURE 30
TEXAS MOBILITY FUND BOND ISSUANCES, CALENDAR YEARS 2005 TO 2012

TYPE OF BOND	AMOUNT (IN MILLIONS)	DATE ISSUED
Series 2005–A	$900.0	June 8, 2005
Series 2005–B (Variable Rate Bonds)	$100.0	June 8, 2005
Series 2006	$750.0	June 8, 2006
Series 2006–A	$1,040.3	October 31, 2006
Series 2006–B	$150.0	December 13, 2006
Series 2007	$1,006.3	June 21, 2007
Series 2008	$1,100.0	February 28, 2008
Series 2009–A	$1,208.5	August 26, 2009

SOURCE: Texas Department of Transportation.

FIGURE 31
REVENUE DEPOSITED TO THE TEXAS MOBILITY FUND FROM THE ISSUANCE OF OBLIGATIONS, FISCAL YEARS 2005 TO 2012

FISCAL YEAR	REVENUE FROM THE ISSUANCE OF OBLIGATIONS (IN MILLIONS)
2005	$1,041.3
2006	$771.1
2007	$2,245.2
2008	$1,157.0
2009	$1,200.7
2010	$0.0
2011	$0.0
2012	$0.0

SOURCE: Comptroller of Public Accounts.

FIGURE 32
TEXAS MOBILITY FUND BOND DEBT SERVICE EXPENDITURES, FISCAL YEARS 2006 TO 2013

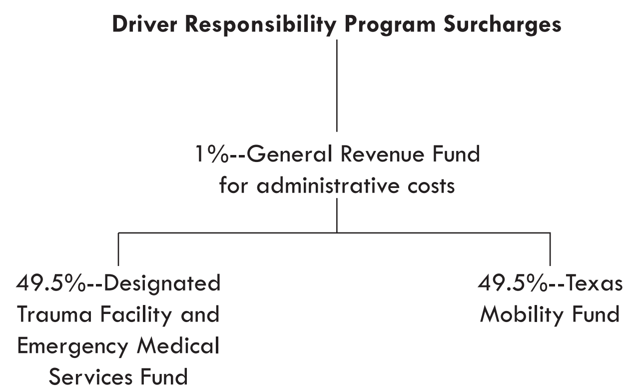
FISCAL YEAR	TEXAS MOBILITY FUND EXPENDITURES (IN MILLIONS)	FEDERAL SUBSIDY (IN MILLIONS)
2006	$63.4	$0.0
2007	$137.2	$0.0
2008	$209.5	$0.0
2009	$266.0	$0.0
2010	$288.6	$13.9
2011	$309.7	$23.3
2012	$314.6	$23.3

NOTE: The federal subsidy refers to the Build America Bonds interest subsidy used for the 2009A series bond issuance.
SOURCE: Texas Department of Transportation.

DRIVER RESPONSIBILITY PROGRAM FINES AND STATE TRAFFIC FINES

The Seventy-eighth Legislature, Regular Session, 2003, added Chapter 708 to the Texas Transportation Code to create the Driver Responsibility Program (DRP). DRP assesses surcharges on drivers convicted of accumulating six or more points from certain moving violations, driving while intoxicated, driving with an invalid license or no insurance, or driving with no license. A driver convicted of any of these offenses pays an annual surcharge for three years following conviction. The program took effect September 1, 2003 and is administered by DPS. During fiscal years 2004 and 2005, 1 percent of revenue collected under DRP was deposited to the General Revenue Fund for administrative costs. Of the remaining 99 percent, 49.5 percent was deposited to the Designated Trauma Facility and EMS Fund and 49.5 percent was deposited to the credit of the Texas Mobility Fund (TMF). During this period, approximately $18.2 million was deposited into TMF from fines assessed under DRP. **Figure 33** shows this allocation of revenues from the Driver Responsibility Program.

FIGURE 33
ALLOCATION OF REVENUE GENERATED BY THE DRIVER RESPONSIBILITY PROGRAM, FISCAL YEARS 2004 TO 2005

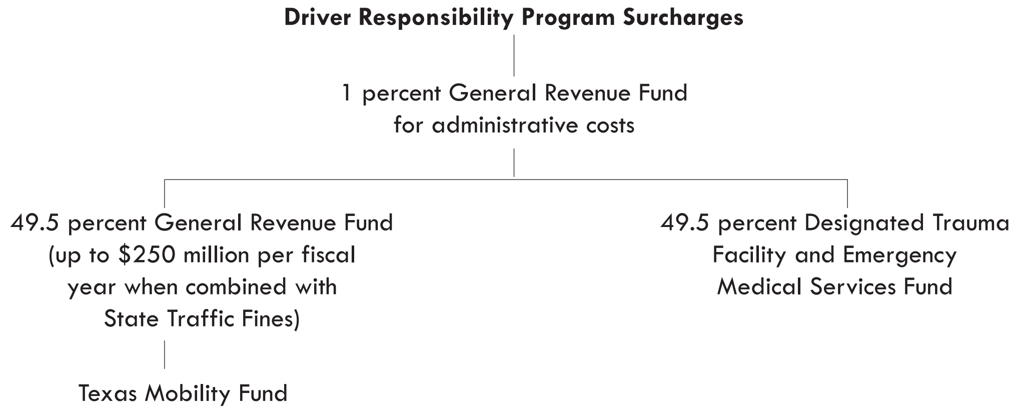


SOURCE: Legislative Budget Board.

Legislation enacted by the Seventy-eighth Legislature, Third Called Session, 2003, amended the division of revenue generated by fines under DRP. Since fiscal year 2005, surcharges collected under DRP have been deposited to the General Revenue Fund. Once the total amount of these surcharges, combined with revenues from state traffic fines, equals $250 million during each fiscal year remaining amounts are required to be deposited in the TMF. The allocation of revenue from DRP since fiscal year 2005 is shown in **Figure 34**. Since this provision went into effect in fiscal year 2006, the combined revenue generated by DRP surcharges and state traffic fines has not exceeded $250 million per year. Therefore, the TMF has not received any funds from DRP surcharges since fiscal year 2005.

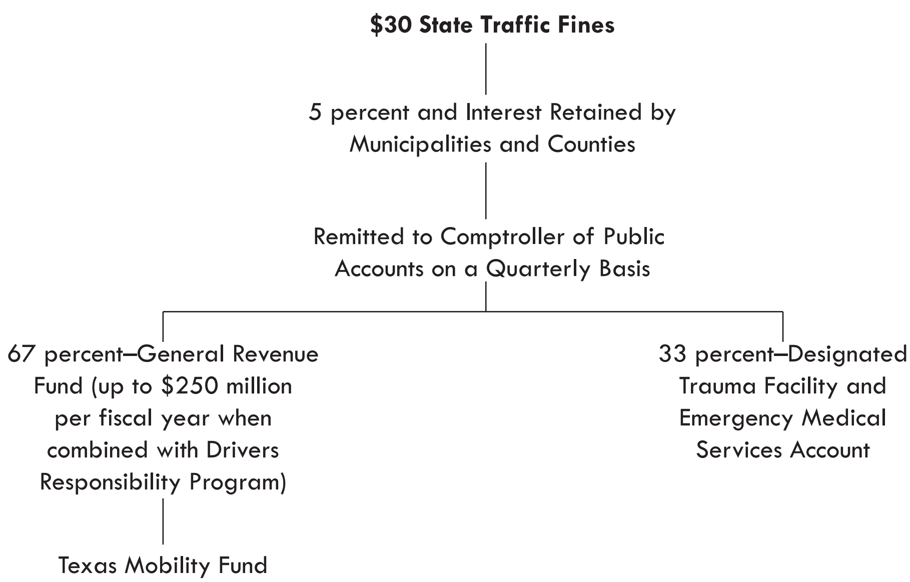
The Seventy-eighth Legislature, Regular Session, 2003, added Section 542.4031, to the Texas Transportation Code, to require a person found guilty of committing a traffic violation to pay a $30 state traffic fine in addition to any other sentence imposed for committing the violation. These fines were originally deposited to the TMF, but the allocation was altered during the Seventy-eighth Legislature, Third Called Session, 2004. **Figure 35** shows the current manner in which revenues from state traffic fines are allocated. A municipality or county retains 5 percent of this fine and any

FIGURE 34
ALLOCATION OF REVENUE GENERATED BY THE DRIVER RESPONSIBILITY PROGRAM, AS OF FISCAL YEAR 2013



Source: Legislative Budget Board.

FIGURE 35
ALLOCATION OF REVENUES FROM STATE TRAFFIC FINES, AS OF FISCAL YEAR 2013



Source: Legislative Budget Board.

interest that is accrued on the fine. Each quarter, revenue generated by the state traffic fine is remitted to the CPA. CPA deposits 67 percent of the revenue it receives to the General Revenue Fund, and the remaining 33 percent is deposited to the Designated Trauma Facility and Emergency Medical Services Account. Once the amount of revenue deposited to the General Revenue Fund from fees accrued from the Driver Responsibility Program and state traffic fines exceeds $250 million in a fiscal year, the remainder is required to be deposited to the TMF. This has not occurred as of the end of fiscal year 2012; therefore, no revenue generated from state traffic fines has been deposited to the TMF since 2005 when the alternative method of allocation went into effect. During fiscal year 2005, $59.6 million was deposited to TMF from court fines.

CERTAIN FEES COLLECTED BY THE DEPARTMENT OF PUBLIC SAFETY

Driver license fees, driver record information fees, motor carrier act fines, and motor vehicle inspection fees are collected by DPS and deposited into the TMF, as shown in **Figure 36**.

FIGURE 36
REVENUES DEPOSITED TO THE TEXAS MOBILITY FUND FROM CERTAIN FEES COLLECTED BY THE DEPARTMENT OF PUBLIC SAFETY, FISCAL YEARS 2005 TO 2010

FISCAL YEAR	REVENUES FROM MOTOR VEHICLE INSPECTION FEES (IN MILLIONS)	REVENUES FROM MOTOR CARRIER ACT PENALTIES (IN MILLIONS)	REVENUES FROM DRIVER LICENSE FEES (IN MILLIONS)	REVENUES FROM DRIVER RECORD INFORMATION FEES (IN MILLIONS)
2005	–	–	–	–
2006	$82.5	$1.8	–	–
2007	$84.6	$2.1	–	$53.5
2008	$86.2	$2.1	$117.9	$61.8
2009	$83.4	$2.1	$102.0	$57.7
2010	$88.9	$1.7	$99.6	$56.0
2011	$90.1	$1.8	$126.5	$57.1
2012	$95.8	$2.6	$129.0	$58.4

SOURCE: Comptroller of Public Accounts.

Motor vehicle inspection fees were enacted by the Fifty-third Legislature, 1953, at the rate of $1 per annual inspection sticker. The fees have been amended multiple times since they were established. A $12.50 fee is now required for an annual sticker, a $21.75 fee for a two-year sticker, and a $50.00 fee is applied to commercial vehicle annual stickers—$3.50 of the annual fee, $10.75 of the two-year fee, and $10.00 of the commercial vehicle fee are deposited to the TMF. Additional fees apply for emissions testing of vehicles inspected in certain counties. In these instances, $3.50 of the emissions testing fee is deposited to the credit of the TMF.

The Seventy-fifth Legislature, 1997, authorized DPS to impose an administrative penalty against a person violating commercial motor vehicle safety standards or the administrative enforcement of these standards. Penalties levied for the violation of commercial motor vehicle safety standards are prohibited from exceeding the maximum penalty for violation of similar federal safety regulations. The amount of a penalty is determined by DPS. All revenues collected from administrative penalties for violations of commercial motor vehicle safety standards are statutorily required to be deposited to the TMF.

Each operator of a motor vehicle in Texas is required to obtain a driver's license. These are issued by DPS. The first license was created by the Thirty-fifth Legislature, 1917, and was known as a chauffeurs license. The Forty-fourth Legislature, 1935, established a number of additional licenses for operators of both passenger and commercial motor vehicles. Fees are also generated for reinstatement of or issuance of a new license and providing certain driver record information. Revenues generated by these fees are deposited to the TMF. These fees range from $4 to $2,000—depending upon the type and expiration date of the license being issued or the record information being provided. The Seventy-ninth Legislature, Regular Session, 2005, temporarily postponed the allocation of revenue from fees generated by the issuance of commercial drivers' licenses, the reinstatement of or issuance of a new license, and providing certain driver record information to the TMF. This provision expired September 1, 2007, at which time the fees began to be deposited to the TMF.

Driver record information fees were established by the Sixty-first Legislature, 1970. Certain persons may request a copy of information regarding a motor vehicle accident from DPS for a fee of $6 or the actual cost of preparing the copy, whichever is less. Additionally, a $2 fee is charged to have DPS certify the copy and a $6 fee is charged for DPS to certify that no such report is on file. Revenue from driver record information fees was deposited to the General Revenue Fund through fiscal year 2005 and is now deposited to the TMF. The Fifty-sixth Legislature, 1959, also established driver record information fees for the provision of information relating to individual licenses and traffic records. DPS retains this information and assesses a fee of $2.50 to $2,000, depending on the information requested and the number of license holders for whom information is requested. These fees are deposited to the TMF.

CERTIFICATE OF TITLE FEES

Motor vehicle certificate of title fees were established by the Forty-sixth Legislature, 1939, at the rate of $0.25 per certificate of title. The rates have increased five times since

1939 as shown in **Figure 37** and are currently set at $33 in federally designated non-attainment counties and $28 in all other counties. Additionally, an $8 application fee applies for non-repairable vehicle title or salvage vehicle titles and a $65 rebuilder fee is charged to applications for regular certificate of titles for a salvage vehicle. In fiscal year 2012, the Department of Motor Vehicles issued approximately 6.2 million titles, excluding non-repairable vehicles and salvage titles.

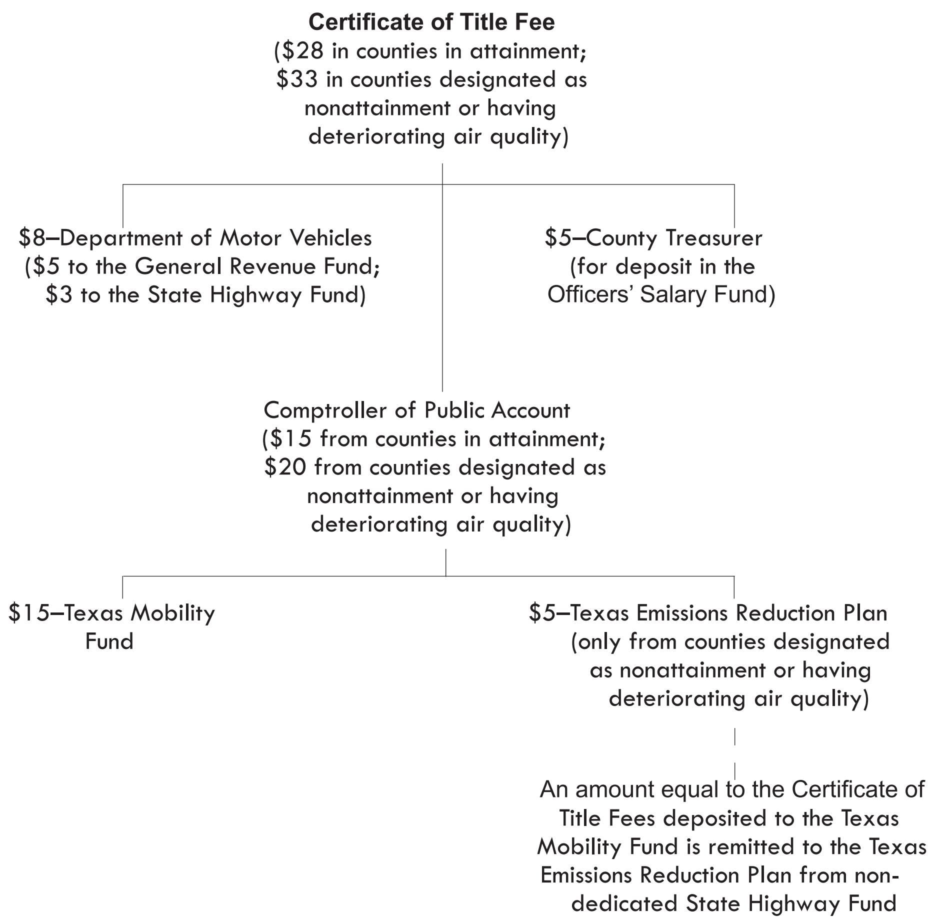
A portion of motor vehicle certificate of title fees are deposited to the State Highway Fund and an equal amount of funds are allocated from the State Highway Fund. Allocations from the State Highway Fund are equivalent to the revenue deposited to the Texas Mobility Fund from Certificate of Title fees. Amounts allocated from the State Highway Fund for this purpose are deposited to the Texas Emissions Reduction Plan, as shown in **Figure 38**.

FIGURE 37
RATE AND BASE CHANGES OF MOTOR VEHICLE CERTIFICATE OF TITLE FEES, FISCAL YEARS 1939 TO 2013

LEGISLATURE	FEE
Forty-sixth (1939)	$0.25
Fifty-fourth (1955)	$0.75
Sixty-fifth (1977)	$3.00
Sixty-eighth (1983)	$10.00
Seventy-second (1991)	$13.00
Seventy-eighth (2003)	$28; $33 in non-attainment counties; additional application fees for non-repairable and salvage vehicle titles were established

SOURCE: Comptroller of Public Accounts.

FIGURE 38
ANNUAL CERTIFICATE OF TITLE FEE ALLOCATION, FISCAL YEARS 2009 TO 2015



SOURCE: Legislative Budget Board.

GENERAL REVENUE FUND

During the past 10 fiscal years, TxDOT has received appropriations from the General Revenue Fund and one account that was previously a General Revenue–Dedicated Fund account—the Texas Highway Beautification Account (previously discussed). Appropriations from the General Revenue Fund can be expended by TxDOT for any purpose authorized by statute. Little of the revenue appropriated from the General Revenue Fund to TxDOT is used for highway construction and maintenance. Beginning in fiscal year 2010, TxDOT received additional General Revenue Funds to pay debt service associated with Proposition 12 GO bonds.

GENERAL OBLIGATION BONDS

Proposition 12 resulted from Senate Joint Resolution 64, Eightieth Legislature, 2007, and was approved by voters in November 2007. This resolution allowed the Legislature to authorize TTC to issue GO bonds, which count toward the state's constitutional debt limit.

The Eighty-first Legislature, First Called Session, 2009, enacted House Bill 1 to create Section 222.004, of the Texas Transportation Code. This section authorizes TTC to issue up to $5 billion in Proposition 12 GO Bonds under the authority of Article III, Section 49-p of the Texas Constitution. TTC is authorized to use the bonds to pay the cost of highway improvement projects and administering authorized projects, the cost or expense of the issuance of the bonds, or a payment owed under a credit agreement. Any Proposition 12 GO bonds issued are statutorily required to mature no later than 30 years after their issuance. These bond proceeds are prohibited from being expended unless appropriated by the Legislature.

TxDOT was appropriated $1 billion in Proposition 12 GO bond proceeds for the 2010–11 biennium and the first Proposition 12 GO bonds were issued in fiscal year 2011. TxDOT's 2012–13 biennial appropriations included $4.1 billion in Proposition 12 GO bond proceeds for transportation planning and design, right-of-way acquisition, construction, and highway maintenance and rehabilitation projects. Of this, $1.1 billion was appropriated for the completion of highway improvement projects initiated during the 2010–11 biennium. The remaining $3 billion was allocated for projects improving mobility in the four most congested regions of the state, major bridge projects, metropolitan and urban mobility projects, statewide connectivity projects, and highway rehabilitation and safety projects.

As **Figure 39** shows, at the end of fiscal year 2012 approximately $1,016.4 billion in Proposition 12 GO bonds had been issued. Therefore, almost $4 billion in Proposition 12 GO bonds may be issued under the cap. TTC issued $1.1 billion of these in December 2012 (fiscal year 2013). Projects have been selected and are being let to contract in calendar years 2012 and 2013 for funding from the remainder of the bond proceeds available under the statutory cap. TxDOT projects the remaining bonds will be issued in approximately $1 billion increments each year as cash is needed to make progress payments.

FIGURE 39
PROPOSITION 12 GENERAL OBLIGATION BOND ISSUANCES, CALENDAR YEARS 2006 TO 2012

TYPE OF BOND	AMOUNT (IN MILLIONS)	DATE ISSUED
Series 2010A	$815.4	September 29, 2010
Series 2010B	$162.4	September 29, 2010

SOURCE: Texas Department of Transportation.

During the 2012–13 biennium, TxDOT was appropriated $256.5 million for General Obligation bond debt service payments. Expenditures for Proposition 12 GO bond debt service payments are shown in **Figure 40**.

FIGURE 40
PROPOSITION 12 GENERAL OBLIGATION BOND DEBT SERVICE EXPENDITURES, FISCAL YEARS 2011 TO 2012

FISCAL YEAR	STATE HIGHWAY FUND EXPENDITURES (IN MILLIONS)	FEDERAL SUBSIDY (IN MILLIONS)
2011	$15.6	$6.3
2012	$51.0	$12.5

NOTE: The federal subsidy refers to the Build America Bond interest subsidy used for the Series 2010A issuance.
SOURCE: Texas Department of Transportation.