

**Transportation Legislation – 2021 Regular Session**  
**Alliance for I-69 Texas**  
**Updated: June 13, 2021**

The Alliance for I-69 Texas went into the 2021 session of the Texas Legislature with four legislative priorities. Progress was made on each of them. **Alliance Priorities:**

- ❖ Protect current highway project funding sources
- ❖ Add or expand project funding tools
- ❖ Continue no diversions from State Highway Fund
- ❖ Equitable fees on alternative fueled vehicles

Transportation advocates approached the session on the defensive and with Covid making it unclear what could be accomplished. In the end funding was preserved, the Mobility Fund was restored to a more active role in project finance and voters will be urged to add a new TRZ tool to the toolbox. A proposal to establish an equitable fee for electric and alternative-fueled vehicles passed the Senate but died when time ran out in the House. Adopting a fee system for these vehicles that approximates the fees paid by gasoline and diesel vehicle drivers is essential to offset some of the escalating erosion in funds available for highway preservation, safety and upgrades. This is unfinished business that will be revisited next session. We appreciate the effort of many I-69 Alliance members that participated in efforts to communicate with legislators about I-69 priorities and specific bills.

	Passed House	Passed Senate	Action by Governor
SB 1 - State Budget With Full TxDOT Funding	✓	✓	PENDING
HB 2219 - Texas Mobility Fund Bonding Reactivation	✓	✓	PENDING
HJR 99 - Transportation Reinvestment Zone Authority for Counties	✓	✓	No Action Required; On Ballot
HB 2223 - Study of Roadway Impacts of Vehicle Classes	✓	✓	SIGNED by Governor
SB 1728 - Electric and Other Alternative-Fueled Vehicle Registration Fees	No Vote Before Deadline	✓	Bill Failed
HB 2222 - Study of Highway Funding Needs through Year 2045	✓	No Action In Committee	Bill Failed

(The Governor has until June 20 to veto legislation.)

**KEY MEASURES THAT ADVANCING I-69 ALLIANCE PRIORITIES**

**TxDOT Funding** - 2022-2023 biennial budget (SB 1) passes with no significant diversions from the State Highway Fund and with the Proposition 1 and 7 funding framework intact. The TxDOT biennial budget totals \$30.24 billion – 1.8% below the previous biennium mostly due to conservative projections for federal funds (down 13.4 percent)

that may be adjusted upward this fall following any federal surface transportation reauthorization and/or federal infrastructure bill. Proposition 7 revenue (dedicated sales tax) rises to \$5.06 billion, up 1.2 percent with revenue anticipated for the first time from the sales tax on vehicle sales which has reached a key funding threshold. Proposition 1 revenue (oil & gas severance taxes) is budgeted at \$4.53 billion (up 16.2%) largely due to carry over of \$1.6 billion from the previous biennium.

**Texas Mobility Fund** – HB 2219 received final passage in the Senate on May 24 and the House on May 28. The legislation re-opens the Texas Mobility Fund to new highway and transit projects with a potential funding leverage of \$3 billion.

**Transportation Reinvestment Zones** – HJR 99 received final passage in the Senate on May 26 and the House on May 28. The proposed Constitutional Amendment will appear on the November 2021 ballot. If approved by voters, HJR 99 will provide authority for Texas counties to bond revenue from Transportation Reinvestment Zones.

**Fee on Electric Vehicles/Hybrids** – SB 1728 passed the Senate on April 23 but was subsequently blocked on the House Floor the evening of May 24 through a successful point of order from Rep. Slayton regarding the addition of language in the House version to establish a Texas Transportation Electrification Council. Had the point of order not been sustained, passage appeared likely. The Senate bill would have established fees on alternatively-fueled vehicles for equalization of road use consumption: Electric: \$200 (0-6,000 lbs.) and \$250 (6,000-10,000 lbs.), Hybrid: \$40 and \$50 (same two weight classes), and Natural Gas: through a formula. The final House bill would have set fees at a slightly lower level

**Other Results – HB 2222** - Study of Transportation Funding Needs to 2045 – passed the House on May 14, but was not afforded a hearing in the Senate. HB 207 to index the gasoline and diesel taxes – not afforded a hearing in either the House or Senate.

*Bills tracked by the I-69 Alliance during the 2021 session follow below. Key bills that have been enacted and sent to the Governor for signature are highlighted in yellow.*

**Preserve Existing Funding Framework Including Propositions 1 and 7; Continue Non-Diversion Policy**

**HJR 99 (Canales)** - Proposing a constitutional amendment authorizing a county to finance the development or redevelopment of unproductive, underdeveloped, or blighted areas in the county using a Transportation Reinvestment Zone (**TRZ**); authorizing the issuance of bonds and notes. [Link to Text and Bill Info](#). Status: Approved by House 5/12/21; . Placed on Constitutional Amendments Calendar 5/11/21. Passed House 5/12/21. Received in Senate; Senate hearing held 5/19/21. Alliance and TAoT registered in support. Passed with amendments 5/26/21. House concurred with Senate amendments 5/28/21. The proposed Constitutional Amendment will appear on the November 2021 ballot. I-69 Position: Support.

**SB 1 (Nelson)** – General Appropriations Bill. [Link to Text and Bill Info](#). Status: Introduced 1/21/21. Referred to Finance 1/21/21. Hearing on TxDOT budget held 3/2/21. Reported favorably 3/30/21. Passed Senate 4/6/21. Referred to House Transportation 4/6/21. Public hearing held and reported favorably as substituted 4/12/21. Placed on emergency calendar 4/22/21. Passed House 4/22/21 as amended. 4/26/21 Senate appoints conferees. 4/27/21 House appoints conferees. 5/26/21 Senate adopted conference report. 5/27/21 House adopted conference report. I-69 Position: Support continuation of the current transportation funding framework, including full funding of Propositions 1 and 7 and no diversions from the State Highway Fund.

**HB 2 (Bonnen)** – Supplemental Appropriations Bill. Includes various budget reductions to balance the biennial budget for 2020-2021, including a minor general revenue reduction for TxDOT. [Link to Text and Bill Info](#) *Status:* ; House concurred in Senate amendments 5/27/21. *I-69 Position:* Support continuation of the current transportation funding framework.

### **Texas Mobility Fund**

**HB 2219 (Canales)** – Eliminates a provision that requires any new obligations for the Texas Mobility Fund (TMF) to take place before January 1, 2015. This effectively re-opens the TMF to new projects with a potential leverage of \$3 billion or more. Similar to SB 1455. [Link to Text and Bill Info](#) *Status:* Introduced 2/24/21. Referred to Transportation 3/15/21. Public hearing held 3/23/21. TAoT registered in support and provided a one-pager on the issue. Reported favorably as substituted 4/8/21. Passed House 114-31 on 5/4/21. Referred to Senate Transportation 5/10/21. Public hearing held 5/17/21 in Senate Transportation. TAoT registered in support. Passed Senate with two floor amendments by Chairman Nichols 5/24/21. The House concurred with the Senate amendments 5/28/21. On Governor' Desk. *I-69 Position:* Support.

**SB 1263 (Birdwell)** – Relating to funding for the Texas emissions reduction plan and the Texas Mobility Fund. [Link to Text and Bill Info](#). *Status:* Passed Senate; considered by House 5/12/21 and laid on table subject to call. *I-69 Position:* Tracking.

**SB 868 (Nichols)** – Repeals transportation code provisions that require an annual transfer of funds from the Texas Mobility Fund (TMF) to the Texas Emissions Reduction Fund (TERP). Essentially would end another diversion. [Link to Text and Bill Info](#) *Status:* Referred to Transportation; never heard. *I-69 Position:* Tracking.

**SB 1455 (Nichols)** – Eliminates a provision that requires any new obligations for the Texas Mobility Fund (TMF) to take place before January 1, 2015. This effectively re-opens the TMF to new highway and transit projects with a potential leverage of \$3 billion or more. Similar to HB 2291 below. [Link to Text and Bill Info](#) *Status:* Introduced 3/10/21. Referred to Transportation 3/25/21; never heard. *I-69 Position:* Supports.

### **Fee In Lieu of Gas Tax for Electric and Hybrid Vehicles**

**SB 1728 (Schwertner)** – Establishes the following fees on alternatively-fueled vehicles for equalization of road use consumption: Electric: \$200 (0-6,000 lbs.) and \$250 (6,000-10,000 lbs.), Hybrid: \$40 and \$50 (same two weight classes), and Natural Gas: through a formula. Funds to be credited to the state highway fund. [Link to Text and Bill Info](#) *Status:* Introduced 3/12/21. Referred to Transportation 3/26/21. Hearing held 4/7/21. One-pager prepared by TAoT and distributed 4/5/21. Both TAoT and others provided oral and written testimony as well as numerous cards in support. Reported favorably as substituted 4/20/21. Passed Senate 4/23/21. Referred to House Transportation 4/30/21. Public hearing held 5/11/21. TAoT provided supportive witness cards and encouraged others to do so. Alliance contacted committee members. 5/13/21 – reported favorably as substituted – the substitute version has slightly lower fees and some of the language from HB 2221 below regarding the proposed TTEC. Placed on the general state calendar 5/24/21. Late in the evening of 5/24/21, Rep. Slayton objected to further consideration of SB 1728 on the grounds that the language regarding formation of the TTEC was not germane to the version of the bill passed by the Senate. The point of order was sustained and the bill was returned to calendars. *I-69 Position:* Supports.

**HB 2221 (Canales)** – Authorizes establishment of a Texas Transportation Electrification Council to be administered by TxDOT and completion of an electric vehicle charging infrastructure assessment by March 1, 2022. Authorizes development of an electric vehicle charging infrastructure plan for the state. Establishes an incentive program of up to \$4,000 for new light-duty electric vehicles to be funded from various federal grant programs and other defined revenue sources. [Link to](#)

[Text and Bill Info](#) Status: State Affairs Committee reported favorably 4/20/21; not placed on House calendar before deadline.

**HB 3637 (Goodwin)** – Authorizes establishment of a Texas Transportation Electrification Council and addresses composition of the proposed Council. Requires an assessment of vehicle charging infrastructure by March 1, 2022, development of plans for public charging infrastructure adequate for future demand including evacuation routes, rural areas; etc. Requires a biennial report to the legislature, development of an incentive program for light duty electric vehicles; establishes various grant programs. Note: Bill has some similarity with HB 2221 and could be a potential vehicle for a fee in lieu of the gas tax for electric vehicles. [Link to Text and Bill Info](#) Status: Introduced 3/10/21. Referred to State Affairs 3/22/21; never heard. I-69 Position: Tracking.

**HB 427 (King of Hemphill)** – Establishes an additional annual registration fee of \$200 for electric vehicles and \$100 for hybrid vehicles. [Link to Text and Bill Info](#) Status: Heard and left pending in Transportation on 4/20/21. I-69 Position: Support.

**SB 1720 (Eckhardt)** – Imposes an additional fee on the registration of electric vehicles (\$100) and hybrid vehicles (\$80) with proceeds going to the Texas Mobility Fund. [Link to Text and Bill Info](#) Status: Never taken up by Transportation. I-69 Position: Support.

#### **Study of Future Transportation Needs**

**HB 2222 (Canales)** – Authorizes a study by TxDOT and the Texas A&M Transportation Institute of transportation funding needs, costs, and benefits through 2045, with analysis of changing travel patterns and behavior, innovations in vehicle technology, changes in the workplace, etc. The study is to be submitted to the legislature by December 1, 2022. Companion bill: SB 1464. [Link to Text and Bill Info](#) Status: Referred to Transportation 3/15/21. Public hearing held 4/27/21. TAOt registered in support and the Alliance contacted committee members. Reported favorably 5/4/21. Passed House 5/14/21. Referred to Senate Transportation 5/17/21. No hearing held in Senate Transportation. I-69 Position: Support.

**HB 2223 (Canales)** – Authorizes a study by TxDOT, the Texas A&M Transportation Institute, and the University of Texas Center for Transportation Research of the impact of roads and bridges in this state by various classes of motor vehicles (passenger, commercial, oversized/overweight, etc.) and whether the revenues currently contributed from each class exceed or fall short of the financial impact from their use of the road system. The study is to make recommendations for changes to the existing tax and fee structure for the various classes of vehicles. A report is to be presented to the legislature by November 1, 2022. Companion bill: SB 1463 above. [Link to Text and Bill Info](#) Status: House approved 4/23/21; passed Senate 5/19/21; signed by governor 6/4/21. I-69 Position: Support

**SB 1464 (Nichols)** – Authorizes a study by TxDOT and the Texas A&M Transportation Institute of transportation funding needs, costs, and benefits through 2045, with analysis of changing travel patterns and behavior, innovations in vehicle technology, changes in the workplace, etc. The study is to be submitted to the legislature by December 1, 2022. Companion bill: HB 2222. [Link to Text and Bill Info](#) Status: Referred to Transportation 3/24/21 but never heard. I-69 Position: Supports.

#### **Optional Vehicle Registration Fee**

**SB 781 (Hinojosa)** – Adds **Nueces County** to the list of counties eligible to enact the \$10 optional vehicle registration fee. [Link to Text and Bill Info](#) Status: Referred to Transportation; never heard. I-69 Position: Support.

#### **Oversized/Overweight Vehicles**

**SJR 59 (Nichols)** – (Companion HJR 161 by Ashby) Proposed Constitutional Amendment to ensure all revenue received from oversized or overweight vehicles that general law directs to the state highway fund may only be used to acquire, construct,

and maintain public roadways. [Link to Text and Bill Info](#) Status: Referred to Transportation; never heard. I-69 Position: Support.

**SB 1456 (Nichols)** – Rededicates certain revenue to the state highway fund. Requires that all permit fees revenue under Chapters 621 and 622 of the Transportation Code (oversize or overweight vehicles) be rededicated to the state highway fund for the purpose of acquiring, constructing, and maintaining public roadways. Only goes into effect if SJR 59 (see above) is approved by voters. [Link to Text and Bill Info](#) Status: Referred to Transportation. Never heard. I-69 Position: Support.

### **Comprehensive Development Agreements (CDA's)**

**HB 3159 (Martinez) (RGV)**– Expands list of legislatively-authorized CDA projects to include six additional projects for the Department and 11 additional projects for Regional Mobility Authorities. This includes authority for six projects in Hidalgo and Cameron Counties. [Link to Text and Bill Info](#) Status: Left pending after public hearing in Transportation 4/20/21; did not pass out of committee. I-69 Position: Support.

**HB 3160 (Martinez)** – Extends expiration of authority for previously-approved list of CDA projects to August 31, 2031. [Link to Text and Bill Info](#) Status: Left pending after public hearing in Transportation 4/20/21. I-69 Position: Support.

### **State Gasoline and Diesel Taxes**

**HB 2218 (Canales)** – Indexes the state's gasoline and diesel taxes to the Consumer Price Index (CPI). [Link to Text and Bill Info](#) Status: Never taken up by Ways & Means. I-69 Position: Support.

**HB 2931 (Israel)** – Raises the state's gasoline and diesel taxes from 20 to 40 cents per gallon. [Link to Text and Bill Info](#) Status: Never taken up by Ways & Means. I-69 Position: Support.

### **Other Bills of Interest**

**SB 1412 (Paxton)** – Allows County Commissioners to declare a political subdivision or specified portion of a county as a defined district for an additional ad valorem road tax for maintenance of county roads. Sets forth requirements for a petition and election process. [Link to Text and Bill Info](#) Status: Passed by Senate; died in House Ways & Means. I-69 Position: Tracking.

**SB 2107 (Schwertner)** – (Companion – HB 1651) Authorizes a study by TxDOT of the feasibility of charging a pavement consumption fee for the operation of certain motor vehicles on public highways. Companion bill: HB 1651. [Link to Text and Bill Info](#) Status: Referred to Transportation 4/1/21; never heard. I-69 Position: Tracking.

**HJR 82 (Craddick)** – Proposing a constitutional amendment creating the Grow Texas fund which would be dedicated to oil and gas production areas. It would allocate a portion of oil and gas severance fees to the fund. [Link to Text and Bill Info](#) Status: Passed House 5/12/21; referred to Senate Finance 5/14/21 but never heard. I-69 Position: Tracking.

**Note:** Positions noted in this document are based on Alliance State Legislative Priorities as approved by the Board of Directors at the Alliance annual meeting.



**Alliance for I-69 Texas**