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**DRMC SALUTES GOVERNOR PERRY FOR ENDORSING USE OF CURRENT
MOTOR VEHICLES SALES TAX FOR ROAD FUNDING**

DALLAS – April 12, 2013 – Governor Perry, in keynote remarks to the Texas Lyceum luncheon in Austin today, speaking about the fiscal cliff facing transportation funding, said this: “I propose we dedicate the future growth in sales taxes collected on motor vehicles to transportation infrastructure.”

The Dallas Regional Mobility Coalition (DRMC) salutes the Governor for taking this stance. “We applaud the Governor for taking this leadership position and for his strong support to find ways to pay for needed transportation infrastructure,” said Rob Franke, co-chair of the DRMC.

“We agree with the Governor that dedicating the future growth in sales tax collected on motor vehicles is a step in the right direction to providing sustainable, long-term transportation funding without raising taxes on the state’s citizens,” said Lissa Smith, also co-chair of the DRMC.

During a hearing before a House Appropriations Subcommittee on Wednesday of this week, representatives of the DRMC strongly supported related legislation by Representative Linda Harper-Brown (Irving-R). The bill, HB 479, originally filed just after the opening day of the 83rd Legislative Session, has undergone several revisions. In conversations with the House and Senate Transportation Committee members and members of the two bodies’ Appropriations and Finance Committees, common ground was sought between the critical need for additional capacity funding for the state’s crowded highways and the concern about depleting the state’s general revenue.

Most Texans think that when they pay state sales tax with the purchase of a new or used car, that those tax dollars would go to maintain and improve the highways on which they drive. It is logical assumption based on the sound policy that the users of our roads should pay to maintain and improve them. Those vehicle sales tax dollars, however, were going to the state’s general revenue fund to be used on purposes other than transportation.

The compromise language DRMC helped draft was placed in the committee substitute CSHB 479, heard by the Appropriations Committee’s Subcommittee on Budget Transparency and Reform on Wednesday. To hold the general revenue harmless, the amount of sales tax collected in fiscal year 2012 will continue to go to general revenue, but CSHB 479 provides that all of the growth in the sales tax above the general fund set-aside will flow to the Highway Fund. The amount of revenue anticipated for the first year will be close to \$800 million and will continue to increase over time as the growing Texas population continues to purchase more new and used cars. To

further protect the state revenue base, the effective date of the bill was delayed until 2015 so that the state budget being considered for this biennium would not be impacted

The budgetary comprise could be a central component of the solution being considered by state lawmakers. It is not a new tax. Citizens pay the motor vehicles sales tax already. It would just be more appropriately used to fund the ongoing maintenance and new capacity for the roads that citizens use. The message is getting out.

The **Dallas Regional Mobility Coalition (DRMC)** is an organization of cities, counties and public transportation agencies in a five-county region (Dallas, Denton, Collin, Rockwall and Ellis) that advocates for transportation policy, funding and solutions on a local, state and federal level. The DRMC supports policies and initiatives that: (1) Invest in infrastructure to keep our region competitive with other state and foreign markets; (2) Achieve more efficient movement of people and goods; (3) Improve our air quality by reducing congestion; and (4) Recognize that our quality of life depends on adequate and efficient transportation. For more information about the DRMC and a full calendar of upcoming transportation meetings and events in North Texas, visit www.dallasmobility.org.

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