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WRITTEN TESTIMONY

Joint Hearing of the
Senate Committee on Transportation and Homeland Security
and the
House Committee on Transportation

Mr. Richard Cortese
State Director, District 8
Texas Farm Bureau

Good morning Chairman Carona, Chairman Pickett, and Members:

For the record, I am Richard Cortese. I appear before you today in my capacity as a State Director of the Texas Farm Bureau. I am also a crop and livestock producer near Little River Academy.

Farm Bureau is 76-years old and the state's largest farm and ranch organization with more than 400,000 member families. Each year, farmers and ranchers from more than 200 counties gather to discuss resolutions which become our policy positions – and transportation issues remain a high priority for us. We consider this truly grassroots approach as one of our greatest strengths.

I am not here to advocate for one particular solution to our funding predicament. Instead, I am here to share our thoughts on the various options currently on the table.

Let me be clear that, as an industry, we recognize the need for building and maintaining roads. Frontage roads, county roads, farm-to-market roads, state highways, and interstates are all vital for the transport and processing of agriculture commodities across our state – products which benefit both rural and urban Texans.

First, Farm Bureau policy insists that all fuel tax money should be spent on roads, rather than being put in a general fund for other purposes. Specifically, we urge you to help stop money from being diverted out of Fund 6 for non-transportation purposes. We thank Chairman Carona for his

leadership by filing SJR 9, which would limit the purposes for which revenue from taxes on motor fuels may be used. And we thank Chairman Pickett for challenging our state appropriators to prioritize transportation infrastructure dollars.

To that effect, we have participated in some discussions about increasing our state motor fuel tax. Farm Bureau believes that any increase in the gasoline tax should result in a proportional allocation increase for the farm-to-market system.

Secondly, we realize the insufficiency of our current funding model, and the startling reality that the well is running dry...quite quickly. We are leery about the vehicle miles travel concept because of the high off-road miles our members drive; for example: field roads and ranch roads. We are also willing explore Senator Nichols' idea to take advantage of the state severance tax by modifying its existing form.

Next, we do not support tolling existing roads. But for the record, we do not oppose using tolls to fund construction of new roads. However, we do oppose non-compete clauses in contracts authorizing construction of those tolled highways and the Trans-Texas Corridor concept.

We also believe that the present motor fuel tax refund for non-highway uses should be maintained. The reality is that agriculture is an energy-intensive business. For example, I use diesel fuel for tillage, planting, harvesting, and spraying. And I use gasoline for service utility vehicles, small

engines, and vehicles to check livestock. The non-highway use refund helps the already shrinking number of family farms stay in business.

We favor up to one-cent per gallon sales tax to be returned to the respective counties for county road improvements. Additionally, we oppose legislation that would eliminate any of the counties portions of funds from road use; such as road assumption, vehicle registration fees, and school funds.

As an alternative funding source, we support Senator Nichols' concept of primacy determination; which is the right for local entities to always determine whether or not a road construction project should be tolled, and that local entities have the first opportunity to build a project.

Furthermore, we support increased research and development of alternative fuels using agricultural products and by-products.

In conclusion, Farm Bureau certainly recognizes the need to invest in our transportation infrastructure and secure better funding to improve Texas roads. We just ask that you please respect private property rights.

Senators and Representatives, your patience and understanding for the perspective of our members are most appreciated.

With that, thank you for your time and I am happy to answer any questions.