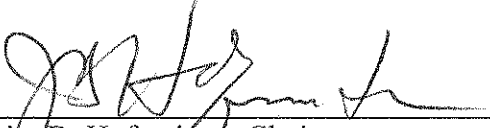


**Resolution of the Board of Directors  
In Support of Proposition 12, an Amendment to the State Constitution**

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The Greater Houston Partnership Board of Directors supports voter approval of Proposition 12 on the November 6, 2007 State of Texas ballot. Proposition 12 permits the Texas Transportation Commission to issue general obligation bonds for funding of highway improvement projects. Proposition 12 allows up to \$5 billion in bonding capability with no tax increase.



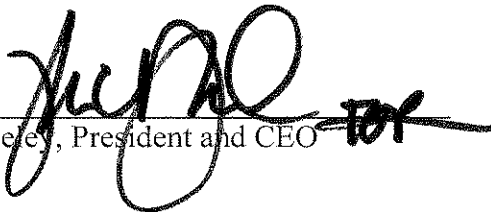
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John D. Hofmeister, Chairman



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Daniel J. Wolterman, Secretary



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Jeff Moseley, President and CEO



**MEMORANDUM**

**DATE:** September 5, 2007  
**TO:** Board of Directors  
**FROM:** Jim Dannenbaum, Chairman  
Transportation and Infrastructure Advisory Committee  
**SUBJECT:** Resolution in Support of Proposition 12

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**RECOMMENDATION**

The Greater Houston Partnership Board of Directors supports voter approval of Proposition 12 on the November 6, 2007 State of Texas ballot. Proposition 12 permits the Texas Transportation Commission to issue general obligation bonds for funding of highway improvement projects. Proposition 12 allows up to \$5 billion in bonding capability with no tax increase.

**BACKGROUND**

In 2007, state Senator John Carona, Chairman of the Senate Transportation and Homeland Security Committee, authored S.J.R. 64, authorizing the next state legislature to issue bonds for roadway funding. S.J.R. 64 was passed unanimously by both houses of the 80<sup>th</sup> Legislature and has been endorsed by the Texas Transportation Commission.

The current level of state roadway funding does not meet the transportation needs of Texas' urban areas. Limited state funding is further strained by recent federal rescissions. Texas has rescinded approximately \$660 million in transportation funding in the past year.

S.J.R. 64 will put Proposition 12 before the voters on the November ballot. Voter approval will authorize the legislature to authorize TxDOT to issue general obligation bonds for transportation funding.

**FISCAL IMPACT**

Proposition 12 authorizes up to \$5 billion in bonds. Repayment of the bonds will come from the state's general revenue account. A tax increase is not needed to repay the bonds.

**IMPLEMENTATION**

The Greater Houston Partnership will communicate its support of the bond issue to the business community and will advocate for voter approval of Proposition 12.

**RESOURCES REQUIRED**

This recommendation can be implemented with available Greater Houston Partnership staff and within the current operating budget.