



TEXAS MOBILITY FUND

Annual Continuing Disclosure Report

For the Fiscal Year Ended August 31, 2019

Filed by February 28, 2020

By the Texas Transportation Commission
Pursuant to Continuing Disclosure Undertakings
For Compliance with SEC Rule 15c2-12

**Texas Mobility Fund
Annual Continuing Disclosure Report
For the Fiscal Year Ended August 31, 2019**

**Filed by Texas Transportation Commission Relating to Each
Outstanding Issue of the Commission's Texas Mobility Fund Bonds
with CUSIP Prefix 882723**

The financial information and operating data contained in this report (this "Report") with respect to the Texas Mobility Fund (the "Fund") is being provided in accordance with contractual continuing disclosure undertakings (collectively, the "Undertaking") of the Texas Transportation Commission (the "Commission") described in the various official statements or other offering documents (collectively, the "Official Statements") for the Commission's outstanding State of Texas General Obligation Mobility Fund Bonds (the "Bonds").

Pursuant to the rules of the Municipal Securities Rulemaking Board (the "MSRB"), the participating underwriters for the Bonds, as applicable, were required to file a copy of the Official Statement for each Bond issue with the MSRB, copies of which are available at the MSRB's Electronic Municipal Market Access ("EMMA") system website.

The Official Statements should not be considered to speak as of any date other than the respective date indicated in each such document. Capitalized terms used in this Report and not otherwise defined shall have the meanings given in the Official Statements.

The titles and numbering of the tables set forth below may deviate from the titles and numbering used for comparable tables contained in the Official Statements. In addition, certain financial information and operating data presented in this Report may be in addition to the information required to be provided by any particular Undertaking and should not be construed as obligating the Commission to provide such additional information in its future continuing disclosure filings. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Report. All website links referenced in this Report are also available at the end of this report in the section entitled "III. Relevant Links."

Information agreed to be provided by the Commission pursuant to the Undertaking may be reported in full text herein or may be incorporated by reference to certain other publicly available documents. Information in this Report regarding the Commission, the Texas Department of Transportation (the "Department") and the Fund has been compiled and provided by the Department from the Department's records and other sources which are believed by the Department to be reliable and is provided in satisfaction of the Undertaking. This Report contains information prescribed by the Undertaking, and neither the Commission nor the Department make any representation or warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes, or other obligations payable, in whole or in part, from the Fund.

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The financial information and operating data to be provided annually pursuant to the Undertaking is summarized below:

- (1) any revenue forecast performed by the Texas Comptroller of Public Accounts (the “Comptroller”) upon (i) the issuance of additional obligations payable from the Fund as required by law to be prepared in connection with the issuance of additional obligations payable from the Fund, or (ii) the substitution of any Dedicated Revenues with any other revenue source by the State Legislature; and
- (2) audited annual financial statements of the Fund prepared in accordance with generally accepted accounting principles.

I. Financial Data and Audited Annual Financial Statements

A. Revenue Forecast

The Comptroller has not issued any revenue forecast as a result of any substitution of Dedicated Revenues by the State Legislature. In connection with the issuance of the Commission’s State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-A and its State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-B (collectively, the “Series 2017 Bonds”), the Comptroller delivered its Mobility Fund Revenue Forecast, dated as of November 28, 2016, which is included in Table 3 on page 20 of the final Official Statement dated January 19, 2017 related to the Series 2017 Bonds (the “Series 2017 Official Statement”) under the caption entitled “Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues.” Such table (i) is reproduced in this Report as “Table 1” and includes actual revenues for Fiscal Years 2017 through 2019, replacing the forecasted figures for those years and (ii) was included in the Commission’s annual continuing disclosure report for the Fund for the fiscal year ended August 31, 2016, which was filed with respect to the outstanding Bonds pursuant to the MSRB’s EMMA system.

The Comptroller’s Revenue Forecast dated as of November 28, 2016 is also included in the Remarketing Memorandum dated September 13, 2018 in connection with the October 1, 2018 remarketing of the Commission’s \$250,000,000 General Obligation Mobility Fund Bonds, Series 2014-B (SIFMA Index Floating Rate Bonds) (the “2018 Remarketing Memorandum”). The [Series 2017 Official Statement](#) and the [2018 Remarketing Memorandum](#) are currently on file with the MSRB. The Series 2017 Official Statement and the 2018 Remarketing Memorandum speak only as of their respective date.

B. Audited Financial Statements of the Fund

The Texas Mobility Fund Annual Financial Report (with Independent Auditor’s Report) for the fiscal year ended August 31, 2019 (the “2019 TMF AFR”) was previously filed with the MSRB with respect to the outstanding Bonds pursuant to the MSRB’s EMMA system on December 18, 2019 and is hereby incorporated by reference into and made a part of this Report. The [2019 TMF AFR](#) may be accessed on the MSRB’s EMMA system.

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II. Supplemental Information

A. Table 1: Texas Mobility Fund Historical and Estimated Dedicated Revenues ⁽¹⁾
(in Thousands)

Fiscal Year	Motor Vehicle Inspection Fees	Driver License Fees ⁽²⁾	Driver Record Information Fees	United We Stand License Fees	Certificate of Title Fees ⁽²⁾	Motor Carrier Act Penalties	Depository Interest	Total Dedicated Revenues ⁽³⁾
2015	60,473 ⁽⁴⁾	135,901	65,668	3	102,623	2,879	3,423	370,971
2016	76,116	135,910	68,484	3	141,118 ⁽⁵⁾	2,675	7,638	431,944
2017	89,511	141,279	67,507	3	141,798	3,116	10,307	453,521
2018	93,558	143,814	66,484	2	147,863	3,536	8,135	463,393
2019	95,155	149,708	69,759	2	147,127	2,531	10,479	474,761
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2020	88,553	149,998	70,744	4	129,046	3,111	1,118	442,574
2021	90,260	152,988	71,805	4	131,627	3,158	1,035	450,877
2022	92,065	155,283	72,882	4	134,259	3,205	1,056	458,754
2023	93,907	157,612	73,975	4	136,945	3,253	1,077	466,772
2024	95,785	159,976	75,085	4	139,684	3,302	1,098	474,934
2025	97,700	162,376	76,211	4	142,477	3,351	1,120	483,240
2026	99,654	164,812	77,354	4	145,327	3,402	1,143	491,695
2027	101,647	167,284	78,515	4	148,233	3,453	1,166	500,301
2028	103,680	169,793	79,692	4	151,198	3,505	1,189	509,061
2029	105,754	172,340	80,888	4	154,222	3,557	1,213	517,977
2030	107,869	174,925	82,101	4	157,306	3,610	1,237	527,053
2031	110,026	177,549	83,333	4	160,452	3,665	1,262	536,291
2032	112,227	180,212	84,583	4	163,662	3,720	1,287	545,694
2033	114,472	182,915	85,851	4	166,935	3,775	1,313	555,265
2034	116,761	185,659	87,139	4	170,273	3,832	1,339	565,007
2035	119,096	188,444	88,446	4	173,679	3,889	1,366	574,924
2036	121,478	191,271	89,773	4	177,153	3,948	1,393	585,019
2037	123,908	194,140	91,120	4	180,696	4,007	1,421	595,294
2038	126,386	197,052	92,486	4	184,309	4,067	1,449	605,754
2039	128,914	200,007	93,874	4	187,996	4,128	1,478	616,401
2040	131,492	203,008	95,282	4	191,756	4,190	1,508	627,238
2041	134,122	206,053	96,711	4	195,591	4,253	1,538	638,271
2042	136,804	209,143	98,162	4	199,502	4,317	1,569	649,501
2043	139,540	212,281	99,634	4	203,493	4,381	1,600	660,933
2044	142,331	215,465	101,129	4	207,562	4,447	1,632	672,570
2045	145,178	218,697	102,645	4	211,714	4,514	1,665	684,416
2046	148,081	221,977	104,185	4	215,948	4,582	1,698	696,475
2047	151,043	225,307	105,748	4	220,267	4,650	1,732	708,751

Source: Amounts for Fiscal Years 2015 through 2019 represent actual dedicated revenues of the Fund as reported in the supplementary information (unaudited) section of the Annual Financial Statements of the Fund for the Fiscal Years 2015 through 2019. Amounts for Fiscal Years 2020 through 2047 are revenue projections provided by the Comptroller in the certification dated November 28, 2016 prepared in connection with the issuance of the Series 2017 Bonds. All years exclude federal subsidies for Build America Bonds.

See footnotes (1) – (5) on the following page.

Footnotes to Table 1:

- (1) This revenue projection assumes no revenues are received from Court Fines, Driver's License Points Surcharges, or Surplus RMA (regional mobility authority) Revenues.
- (2) The fee shown is the portion of such fee collections that is deposited to the Fund.
- (3) Numbers may not sum due to rounding.
- (4) Dedicated revenues, specifically the motor vehicle inspection fee, experienced a decline for Fiscal Year 2015 as a result of HB 2305 passed by the 83rd Legislature in 2013. HB 2305 required all motor vehicle inspection certifications and vehicle registration certifications to switch over to a single, combined certification system (known as the "Two Steps, One Sticker" program) pursuant to HB 2305. This transition began on March 1, 2015 and was fully implemented during Fiscal Year 2016. Motor vehicle inspection fees increased in Fiscal Year 2016 due to the expiration of the grace period for motor vehicle inspections in connection with the implementation of the Two Steps, One Sticker program.
- (5) The amount of revenues deposited into the Fund from this source increased in Fiscal Year 2016 as a result of the diversion to the Mobility Fund of the portion of the Certificate of Title Fees that was previously dedicated to the Texas Emissions Reduction Plan fund.

B. Supplemental Resolution

On July 25, 2019, the Commission approved a thirteenth supplemental resolution authorizing the issuance of additional Texas Mobility Fund bonds in one or more series to refund outstanding Texas Mobility Fund obligations until July 24, 2020. No assurances are given regarding whether additional bonds will be issued and if issued the amount of such bonds or the obligations to be refunded.

C. Extension of Liquidity Facility for Series 2006-B Bonds

The existing Liquidity Agreement between the Commission and the Texas Comptroller of Public Accounts dated December 7, 2016 (the "Liquidity Agreement") for the Commission's State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (Multi-Modal Bonds) was amended effective September 1, 2019, to extend the term of the Liquidity Agreement from August 31, 2019 to August 31, 2021. The [Second Amendment to the Liquidity Agreement](#) effective September 1, 2019, is currently on file with the MSRB.

III. Relevant Links

Department Website:	www.txdot.gov
Department Investor Relations Website:	www.txdot.gov/inside-tdot/division/debt/investors.html
EMMA System Website:	www.emma.msrb.org
Second Amendment to the Liquidity Agreement:	www.emma.msrb.org/ER1239543-ER969714-ER1370641.pdf
Series 2017 Official Statement:	www.emma.msrb.org/ER1019628-ER798797-ER1199969.pdf
Texas Mobility Fund EMMA Home Page:	www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6B9E6D26544CODE043151ED20A652A&type=M
2018 Remarketing Memorandum:	www.emma.msrb.org/ES1199143-ES936885-ES1337714.pdf
2019 TMF AFR:	www.emma.msrb.org/ER1289686-ER1005667-ER1409786.pdf

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IV. Contact Information

For any questions concerning this Report, please contact: Mr.

Benjamin H. Asher
Director, Project Finance, Debt and Strategic Contracts Division Texas
Department of Transportation
125 East 11th Street Austin,
Texas 78701-2483
512-463-8611
E-mail: projectfinance@txdot.gov