

BILL ANALYSIS

C.S.H.B. 122
By: Pickett
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties explain that the sources of debt for transportation funding in the past decade are the Texas Mobility Fund, state highway fund revenue bonds (Proposition 14), and highway improvement general obligation bonds (Proposition 12). These parties express concern regarding the state's growing transportation debt. They contend that the state should stop issuing more transportation debt and should use the increases from these existing sources to pay down the debt. C.S.H.B. 122 seeks to address this issue through certain revisions to the Texas Transportation Commission's current authority regarding use of the Texas Mobility Fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 122 amends the Transportation Code to prohibit the Texas Transportation Commission from issuing obligations for certain highway and mobility projects under the Texas Mobility Fund after January 1, 2015. The bill removes the prohibition against the commission issuing those obligations if the commission or the Texas Department of Transportation (TxDOT) requires toll roads to be included in a regional mobility plan for a local authority to receive an allocation from the fund.

C.S.H.B. 122 replaces the commission's authorization, to the extent money is on deposit in the fund in amounts that are in excess of the money required by the proceedings authorizing the obligations and credit agreements to be retained on deposit, to use the money for any purpose for which obligations may be issued for certain highway and mobility projects with the authorization to use the money for the following purposes: to pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways other than toll roads, including any necessary design and acquisition of rights-of-way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10 years; to create debt service reserve accounts; to pay interest on obligations for a period of not longer than two years; and to refund or cancel outstanding obligations.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 122 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Sections 201.943(a) and (l), Transportation Code, are amended.

SECTION 2. Section 201.946, Transportation Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d) To the extent money is on deposit in the fund in amounts that are in excess of the money required by the proceedings authorizing the obligations and credit agreements to be retained on deposit, the commission may use the money:

(1) to repay the principal of and interest on obligations issued under other provisions of law, including:

(A) notes issued and loans obtained as authorized by Section 49-m, Article III, Texas Constitution;

(B) bonds and other public securities issued, and bond enhancement agreements entered into, as authorized by Section 49-n, Article III, Texas Constitution, as proposed by H.J.R. 28, 78th Legislature, Regular Session, 2003; and

(C) general obligation bonds issued and related credit agreements entered into, as authorized by Section 49-p, Article III, Texas Constitution; or

(2) for any purpose for which obligations may be issued under this subchapter.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Section 201.946(d), Transportation Code, is amended to read as follows:

(d) To the extent money is on deposit in the fund in amounts that are in excess of the money required by the proceedings authorizing the obligations and credit agreements to be retained on deposit, the commission may use the money to:

(1) pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways other than toll roads, including any necessary design and acquisition of rights-of-way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10 years;

(2) create debt service reserve accounts;

(3) pay interest on obligations for a period of not longer than two years; and

(4) refund or cancel outstanding obligations [for any purpose for which obligations may be issued under this subchapter].

(d-1) The commission may use money in the fund for a purpose described by Subsection (d) only to the extent that the proceeds of those obligations are used for purposes described by Section 201.943(d).

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 3. Same as introduced version.