

## **BILL ANALYSIS**

C.S.H.B. 2557  
By: Miller  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties call for improvements to Texas ports and related transportation infrastructure to accommodate increased trade resulting from recent improvements to the Panama Canal. C.S.H.B. 2557 seeks to address this issue by providing for the development of certain rail facilities and the issuance of bonds for those facilities.

### **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. 2557 amends the Transportation Code to authorize certain counties acting through the commissioners court or a local government corporation to adopt an order that authorizes the county and a navigation district located wholly or partly in the county to develop rail facilities, as defined by the bill, as a qualifying project under Government Code provisions relating to public and private facilities and infrastructure and to issue bonds for rail facilities secured by a pledge of the revenues of the facilities, including contract revenue, grant revenue, or other revenue collected in connection with the facilities. The bill restricts such authority to a county that is adjacent to a county with a population of four million or more, has a population of 300,000 or more, and has created a rural rail transportation district by concurrent order with an adjacent county pursuant to statutory provisions relating to the creation of such a district by more than one county. The bill authorizes a rural rail transportation district to exercise those powers if each county that created the district adopts such an order.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2557 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. Section 172.001, Transportation Code, is amended.

SECTION 2. Subchapter E, Chapter 172, Transportation Code, is amended by adding Section 172.211 to read as follows:

Sec. 172.211. REGIONAL MOBILITY AUTHORITY AND OTHER POWERS OF COUNTY, DISTRICT, AND NAVIGATION DISTRICT.

(a) In this section:

(1) "Authority" means a regional mobility authority under Chapter 370.

(2) "Transportation project" has the meaning assigned by Section 370.003.

(b) A county that is part of a district, acting through the commissioners court or a local government corporation, may adopt an order authorizing the exercise of the powers of an authority without state approval, supervision, or regulation.

(c) On adoption of an order under Subsection (b), the county and a navigation district located wholly in the county may:

(1) exercise the powers of an authority;

(2) develop a rail facility project as a qualifying project under Chapter 2267, Government Code;

(3) on or before August 31, 2021, enter into comprehensive development agreements for transportation projects, using the process described by Sections 370.306 and 370.307; and

(4) issue bonds for transportation projects secured by a pledge of the revenues of the project, including contract revenue, grant revenue, or other revenue collected in connection with the project.

(d) If each county that is part of a district adopts an order described by Subsection (b), the district may exercise the powers described by Subsection (c).

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Subchapter E, Chapter 172, Transportation Code, is amended by adding Section 172.211 to read as follows:

Sec. 172.211. OTHER POWERS OF COUNTY, DISTRICT, AND NAVIGATION DISTRICT.

(a) This section applies only to a county that:

(1) is adjacent to a county with a population of four million or more;

(2) has a population of 300,000 or more; and

(3) has created a district by concurrent order with an adjacent county pursuant to Section 172.052.

(b) A county acting through the commissioners court or a local government corporation may adopt an order that authorizes the county and a navigation district located wholly or partly in the county to:

(1) develop rail facilities as a qualifying project under Chapter 2267, Government Code; and

(2) issue bonds for rail facilities secured by a pledge of the revenues of the facilities, including contract revenue, grant revenue, or other revenue collected in connection with the facilities.

(c) If each county that created a district adopts an order described by Subsection (b), the district may exercise the powers described by that subsection.

SECTION 3. Section 222.107(c), Transportation Code, is amended to read as follows:

No equivalent provision.

(c) The commissioners court of the county, after determining that an area is unproductive and underdeveloped and that action under this section would further the purposes described by Section 222.105, by order or resolution may designate a contiguous geographic area in the jurisdiction of the county to be a transportation reinvestment zone to promote one or more transportation projects. A county may designate the transportation reinvestment zone to be coterminous with or otherwise include a county assistance district created by the county under Chapter 387, Local Government Code.

SECTION 4. Sections 222.110(a) and (b), Transportation Code, are amended to read as follows:

No equivalent provision.

(a) In this section:

(1) "Sales tax base" for a transportation reinvestment zone means the amount of sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, including sales and use taxes imposed by a county assistance district created by the county under Chapter 387, Local Government Code, as applicable, attributable to the zone for the year in which the zone was designated under this chapter.

(2) "Transportation reinvestment zone" includes a county energy transportation reinvestment zone.

(b) The governing body of a municipality or county may determine, in an ordinance or order designating an area as a transportation reinvestment zone or in an ordinance or order adopted subsequent to the designation of a zone, the portion or amount of tax increment generated from the sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, including sales and use taxes imposed by a county assistance district created by the county under Chapter 387, Local Government Code, attributable to the zone, above the sales tax base, to be used as provided by Subsection (e). Nothing in this section requires a municipality or county to

contribute sales tax increment under this subsection.

SECTION 5. 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, 2017.

SECTION 3. Same as introduced version.