

BILL ANALYSIS

Senate Research Center
77R4057 DRH-D

S.B. 241
By: Lucio
Business & Commerce
2/28/2001
As Filed

DIGEST AND PURPOSE

Allowing the Texas Department of Transportation to use new financing tools may speed delivery of new construction projects. Federally supported leveraging techniques such as Grant Anticipation Revenue Vehicles (GARVEEs) are a possible tool. As proposed, S.B. 241 allows the legislature to use GARVEEs to fund highway projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 222B, Transportation Code, by adding Section 222.035, as follows:

Sec. 222.035. ISSUANCE OF GRANT ANTICIPATION REVENUE BONDS. (a) Authorizes the Texas Transportation Commission (commission) to issue bonds secured by a pledge of and payable from revenue received or to be received from the federal government that is available for the payment of bonds and bond-related costs under 23 U.S.C. Section 122 (Payments to States for Bond and Other Debt Instruments Financing) and its subsequent amendments and from other revenue deposited in the state highway fund.

(b) Requires proceeds from the sale of bonds issued under this section to be used to fund improvements to the state highway system. Requires the commission to give priority to certain projects.

(c) Provides that Chapters 1201 (Public Security Procedures Act), 1202 (Examination and Registration of Public Securities), 1204 (Interest Rate), 1231 (Bond Review Board), and 1371 (Obligations for Certain Public Improvements) Government Code, apply to bonds issued under this chapter.

(d) Prohibits proceeds of bonds issued under this section from being used for any purpose other than the purposes for which federal revenues are dedicated under Section 7-b (Revenues from Federal Reimbursement Purposes for Which Used), Article VIII, Texas Constitution.

(e) Authorizes the commission to enter into bond enhancement agreements relating to the bonds authorized by this section. Authorizes the agreements to be secured by and made payable from the same sources as the bonds.

(f) Prohibits the maximum annual debt service in any fiscal year on state debt authorized by this section from exceeding 15 percent of the amount received from the federal highway trust fund by this state in the preceding fiscal year.

(g) Requires that before September 1, 2004, the Sunset Advisory Commission review, conduct a performance evaluation of, and prepare a written report on the improvements made with the proceeds of bonds issued under this section in the manner that Chapter 325, Government Code (Texas Sunset Act), requires the Sunset Advisory Commission to review, evaluate, and report on a state agency scheduled to be abolished on September 1, 2005. Requires the Texas Department of Transportation to perform any duty related to that review and evaluation that Chapter 325, Government Code, imposes on a state agency under that chapter.

(h) Requires that a project in the border transportation districts receive priority by the commission if the project involves certain projects.

SECTION 2. Amends Chapter 223B, Transportation Code, by adding Sec. 223.049, as follows:

Sec. 223.049. REPORTING REQUIREMENTS. Requires the commission, not later than December 1 of each even-numbered year, to report to the governor, lieutenant governor, and speaker of the house of representatives on the use and effectiveness of bonds issued under Section 222.035. Requires the report to include certain items.

SECTION 3. Effective date: the date on which the constitutional amendment, proposed by the 77th Legislature, Regular Session, 2001, that authorizes the legislature to provide for the issuance of bonds for certain improvements to the state highway system takes effect, if that amendment is approved by the voters.