

BILL ANALYSIS

Senate Research Center
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S.B. 343
By: Shapiro
State Affairs
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DIGEST AND PURPOSE

Currently, toll funds kept in the general revenue fund (GRF) create risk in the minds of investors as it appears the funds are subject to legislative and political influence. Because investment appears riskier, costs for toll projects are higher and the amount of toll revenues needed to repay the toll bonds increases. As proposed, S.B. 343 reenacts legislation that allows the Texas Turnpike Authority (TTA) to maintain a separate toll fund outside the GRF which may decrease the cost of toll projects by minimizing risk for investors (thus lowering interest) and it allows the TTA to maximize the interest earned on toll funds. This bill reenacts legislation passed last session which was inadvertently nullified.

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. Reenacts Section 361(a), (g), and (h), Transportation Code, as follows,

Requires the authority to maintain the Texas Turnpike Authority (authority) feasibility study fund that is held in trust by a banking institution chosen by the authority or, at the discretion of the authority, in trust in the state treasury outside the general revenue fund. Requires the fund to be kept separate from the money for any project. Requires interest and income earned on money deposited in the feasibility study fund to be deposited to the credit of the fund. Requires money transferred to the Texas Department of Transportation (department) for the benefit of the authority under Section 8.02, Chapter 1171, Acts of the 75th Legislature, Regular Session, 1997, to remain in the state treasury and prohibits it from being transferred to a private banking institution. Provides that this money is exempt from the application of Section 403.095 (Use of Dedicated Revenue), Government Code, and is not subject to reduction or elimination under any other provision of the Government Code.

SECTION 2. Reenacts Sections 361.184(a), (e), and (f), Transportation Code, as follows:

Authorizes the authority to maintain the Texas Turnpike Authority project revolving fund, which is held in trust by a banking institution chosen by the authority, or at the discretion of the authority, in trust in the state treasury outside the general revenue fund. Requires the fund to be kept separate from other funds of the authority. Requires interest and income earned on money deposited in the project revolving fund to be deposited to the credit of the fund. Prohibits money transferred to the department for the benefit of the authority under Section 8.02, Chapter 1171, Acts of the 75th Legislature, Regular Session, 1997, from being deposited in the project revolving fund.

SECTION 3. Reenacts Section 361.185(a), Transportation Code, to provide that all money received under this chapter, whether as proceeds from the sale of bonds or as revenue, is a trust fund to be held and applied as provided by this chapter. Requires funds held under this chapter to be held in trust by a

banking institution chosen by the authority or, at the discretion of the authority, in trust in the state treasury outside the general revenue fund, notwithstanding any other law, including Section 9, Chapter 1123, Acts of the 75th Legislature, Regular Session, 1997.

SECTION 4. Effective date: upon passage or September 1, 2001.