

BILL ANALYSIS

Senate Research Center
78R1758 DWS-D

S.B. 410
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Infrastructure Development and Security
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DIGEST AND PURPOSE

Currently, the Texas Transportation Commission (TTC) is not allowed to utilize Grant Anticipation Revenue Vehicle (GARVEE) bonds as a financing option for the construction of highway projects. New construction projects may be impeded by lack of financing options. As proposed, S.B. 410 authorizes TTC to fund state highway transportation projects through GARVEE bonds, general obligation bonds, or a combination of both.

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 (TTC) to issue bonds secured by a pledge of and payable from certain sources.

(b) Requires proceeds from the sale of bonds to be used to fund improvements to the state highway system. Requires TTC, in conjunction with the Bond Review Board, to consider certain criteria to select the improvements to be funded.

(c) Prohibits the proceeds of bonds from being used for any other purpose other than the purposes for which federal revenues are dedicated, including acquiring rights-of-way and constructing, maintaining, and policing public roadways.

(d) Authorizes TTC to enter into bond enhancement agreements as relates to bonds authorized by this section. Provides that the agreements may be secured by and made payable from the same sources as the bonds.

(e) Provides that bonds issued under this section must mature within 15 years.

(f) Prohibits bonds issued and bond enhancement agreements entered into under this section from having a principal amount or terms that, at the time of the issuance or agreement, are expected to cause expenditures with respect to the obligations to exceed 10 percent of the federal highway obligation authority anticipated to be received by this state in any year payments are to be due on the obligations.

(g) Prohibits TTC from issuing bonds without the approval of the Bond Review Board.

SECTION 2. Provides that this Act takes effect on the date on which the proposed constitutional

amendment takes effect. If that amendment is not approved by the voters, this Act has no effect.