

BILL ANALYSIS

Senate Research Center

H.B. 13
By: Pickett et al. (Nichols)
Transportation
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The recent passage of Proposition 1 by a significant margin indicates that the general public is supportive of increasing funding for transportation projects across Texas. While additional funding is crucial to the state's continued economic success, there must be increased accountability to ensure taxpayer dollars are wisely spent.

H.B. 13 requires the Texas Transportation Commission (TTC) to initiate a process to review certain funding categories and funding allocation formulas adopted under statutory provisions relating to the Unified Transportation Program (UTP). The bill requires the review process to include an effort by the Texas Department of Transportation (TxDOT) to seek the collective input of all planning organizations in Texas and defines "planning organization" as a metropolitan planning organization or, for an area that is not within the boundaries of a metropolitan planning organization, the TxDOT district that serves the area.

The bill requires each planning organization to develop a 10-year transportation plan for the use of the funding allocated to the region, defined as the area for which the planning organization develops plans under the UTP. The bill requires TxDOT to assist the planning organizations by providing in a timely manner such information as is reasonably requested by the planning organizations. The bill requires the plan to identify certain items as applicable to the planning organization and the funding of transportation projects in the region.

The bill requires TxDOT to prepare and publish a cash flow forecast for a period of not less than 10 years.

The bill requires each planning organization to select projects in its region and prioritize them using project selection criteria developed by the planning organization and requires a planning organization's project selection criteria to include consideration of certain specified factors; for an area not located within the boundaries of a metropolitan planning organization to select projects and prioritize them with input from municipal and county elected officials and transportation officials using the project selection criteria.

The bill authorizes TTC, if money from the general revenue fund or state highway fund is appropriated to TxDOT for the state fiscal biennium in an amount that exceeds the appropriation from those funds to TxDOT for the previous fiscal biennium, or if a constitutional amendment providing additional money to TxDOT is adopted, to use the additional money to finance projects that would otherwise be financed using proceeds from general obligation bonds or the sale and issuance of bonds and other public securities secured by the state highway fund.

H.B. 13 amends current law relating to categories of and funding allocation for transportation projects by the Texas Department of Transportation and local transportation entities.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 201.9902, Transportation Code) and SECTION 4 (Section 201.9961, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter P, Chapter 201, Transportation Code, by adding Sections 201.9901 and 201.9902, as follows:

Sec. 201.9901. DEFINITIONS. Defines "planning organization," "region," and "transportation official" in this subchapter.

Sec. 201.9902. UPDATE TO TRANSPORTATION FUNDING CATEGORIES AND ALLOCATION FORMULAS. (a) Requires the Texas Transportation Commission (TTC), not later than October 1, 2015, to initiate a process to review the categories and formulas adopted under Sections 201.991(b)(2) (requiring TTC to adopt rules that define program funding categories, including categories for safety, maintenance, and mobility) and 201.996.

(b) Requires that the review process include an effort by the Texas Department of Transportation (TxDOT) to seek the collective input of all planning organizations in the state. Requires TxDOT to convene meetings as necessary to facilitate discussions among planning organizations that will result in a consensus recommendation among a majority of the planning organizations as to updated funding categories and funding allocation formulas.

(c) Requires TTC, not later than May 1, 2016, to adopt rules implementing updated funding categories and funding allocation formulas. Requires TTC, to the extent that the adopted categories or funding allocation formulas differ from the consensus recommendations of the planning organizations, to provide a detailed written explanation for the differences. Requires that the explanation be made available on TxDOT's Internet website.

(d) Provides that this section expires September 1, 2017.

SECTION 2. Amends Subchapter P, Chapter 201, Transportation Code, by adding Sections 201.9911, 201.9921, 201.9931, and 201.9932, as follows:

Sec. 201.9911. PLANNING ORGANIZATION 10-YEAR PLAN. (a) Requires each planning organization to develop a 10-year transportation plan for the use of the funding allocated to the region. Requires TxDOT to assist the planning organizations by providing in a timely manner such information as is reasonably requested by the planning organizations.

(b) Requires that the plan identify the items described by Section 201.9921(b) as applicable to the planning organization and the funding of transportation projects in the region.

(c) Requires that the first four years of the plan be developed to meet the transportation improvement plan requirements of 23 U.S.C. Section 134 or 135, as applicable.

(d) Requires the TxDOT district, for an area that is not within the boundaries of a metropolitan planning organization, to develop the 10-year transportation plan with input from municipal and county elected officials and transportation officials in the region.

Sec. 201.9921. TEN-YEAR CASH FLOW PROJECTION. (a) Requires TxDOT's chief financial officer, not later than September 1 of each odd-numbered year, to prepare and publish a cash flow forecast for a period of not less than 10 years.

(b) Requires that the forecast identify:

- (1) the aggregate amount of all sources of funding available for eligible transportation projects;
- (2) the amount previously committed to eligible transportation projects based on actions of TTC;
- (3) the amount not committed to projects but that TxDOT anticipates allocating during the forecast period through formulas adopted under Section 201.996; and
- (4) the sources of all funds projected to be available during the forecast period, including bond proceeds, and an estimation of debt service payments associated with the bond proceeds.

(c) Requires that the first two years of the forecast be based on the appropriation of funds in the General Appropriations Act for TxDOT for that biennium.

Sec. 201.9931. PLANNING ORGANIZATION PROJECT SELECTION AND PRIORITIZATION. (a) Requires each planning organization to select projects in its region and prioritize them using the criteria developed under Section 201.9932.

(b) Requires the applicable TxDOT district, for an area not located within the boundaries of a metropolitan planning organization, to select projects and prioritize them with input from municipal and county elected officials and transportation officials using the criteria developed under Section 201.9932.

(c) Requires TxDOT to compile the project selections of the planning organizations to develop the statewide transportation plan in accordance with 23 U.S.C. Section 135.

Sec. 201.9932. PROJECT SELECTION CRITERIA. Requires each planning organization to develop its own project selection criteria, which must include consideration of:

- (1) projected improvements to congestion and safety;
- (2) projected effects on economic development opportunities for residents of the region;
- (3) available funding, including locally generated funding;
- (4) effects on the environment, including air quality;
- (5) socioeconomic effects; and
- (6) any other factors deemed appropriate by the planning organization.

SECTION 3. Amends Section 201.996, Transportation Code, by adding Subsection (d), as follows:

(d) Prohibits TTC from considering transferring funds between categories by any method outside the established formulas or allocating funds subject to the discretion of TTC unless:

- (1) TTC considers the transfer or allocation at a regularly scheduled TTC meeting; and
- (2) TxDOT presents to TTC a written explanation of the transfer, including the need and justification for the deviation from the formula allocation or use of

discretionary funds, at a regularly scheduled TTC meeting held in the month before the meeting described by Subdivision (1).

SECTION 4. Amends Subchapter P, Chapter 201, Transportation Code, by adding Section 201.9961, as follows:

Sec. 201.9961. USE OF ADDITIONAL REVENUE AND BOND PROCEEDS FOR CERTAIN PROJECTS. (a) Authorizes TTC, if money from the general revenue fund or state highway fund is appropriated to TxDOT for the state fiscal biennium beginning September 1, 2015, in an amount that exceeds the appropriation from those funds to TxDOT for the previous fiscal biennium, or if a constitutional amendment providing additional money to TxDOT is adopted, to use the additional money to finance projects that would otherwise be financed using proceeds from:

(1) the sale and issuance of bonds and other public securities secured by the state highway fund under Section 49-n, Article III, Texas Constitution, as proposed by H.J.R. 28, 78th Legislature, Regular Session, 2003; or

(2) general obligation bonds issued under Section 49-p, Article III, Texas Constitution.

(b) Requires TTC to determine whether the unused proceeds from bonds described by Subsection (a) may be used to finance projects, in addition to those allocated funding under Section 201.996, that reduce congestion, increase capacity, reduce tolls, or promote safety. Requires TTC to adopt rules establishing criteria for projects to be considered eligible for financing under this subsection.

(c) Requires TTC, not later than the 30th day before the date TTC authorizes the use of money under this section, to hold a public meeting to consider that authorization.

(d) Provides that this section expires September 1, 2017.

SECTION 5. Effective date: upon passage or September 1, 2015.