

BILL ANALYSIS

Senate Research Center

S.B. 1875
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1875 revises the criteria for transportation grants as laid out in S.B. 1747, 83rd Legislature, Regular Session, 2013, to better reflect the purpose of the funds. S.B. 1747 was passed to provide relief to counties that have experienced road damage due to the truck traffic brought by oil and gas exploration. However, after two years of trial-and-error it has become clear that the criteria can be refined to ensure that the money is going where it is most needed.

In Subsection 1, S.B. 1875 mandates that weight tolerance permits must be related to oil and gas activities when being used to factor grant rewards. This is to ensure that the funds are used as intended, to compensate for oil and gas related traffic rather than unrelated traffic. In Subsection 3, language is modified so that horizontal wells are weighed much higher against vertical wells. This is due to the fact that horizontal wells can require more than five times the number of trucks in the drilling process. In Subsection 4, the volume criteria is modified to gauge the number of sites, a more accurate measure of truck traffic.

In the rest of the bill, criteria is modified to add new reporting requirements, to allow the Texas Department of Transportation to spend more on the administration of the program, widen the area in which projects may be completed to encompass the county, and restrict the amount that counties may spend on administration to \$100,000. These are changes in response to issues that have arisen in the two years following S.B. 1747.

S.B. 1875 cleans up the administration language of S.B. 1747 in order to ensure that funds are administered smoothly and that they go to their intended purpose.

As proposed, S.B. 1875 amends current law relating to funding and donations for transportation projects, including projects of county energy transportation reinvestment zones.

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 256, Transportation Code, by amending Subchapter C, as follows:

SUBCHAPTER C. TRANSPORTATION INFRASTRUCTURE FUND

Sec. 256.101. DEFINITIONS. Redefines "well completion" in this subchapter.

Sec. 256.103. GRANT PROGRAM.

(b) Requires that grants distributed during a fiscal year be allocated among counties as follows:

(1) 20 percent according to weight tolerance permits, specifically related to oil and gas activities, determined by the ratio of weight tolerance permits issued in the preceding fiscal year for the county that designated a

county energy transportation reinvestment zone to the total number of weight tolerance permits issued in the state in that fiscal year, as determined by the Texas Department of Motor Vehicles;

(2) Makes no change to this subdivision;

(3) 10 percent according to traditional, non horizontal, well completions, determined by the ratio of traditional well completions in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total number of traditional well completions in the state in that fiscal year, as determined by the Railroad Commission of Texas (railroad commission) and 40 percent according to horizontal well completions, determined by the ratio of horizontal well completions in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total number of horizontal well completions in the state in that fiscal year, as determined by the railroad commission; and

(4) 10 percent according to the total number, rather than the volume, of oil and gas waste injected, determined by the ratio of the total number of oil and gas waste injected in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total volume of oil and gas waste injected in the state in that fiscal year, as determined by the railroad commission.

Sec. 256.105. MATCHING FUNDS. Makes no change to this section.

Sec. 256.106. PROGRAM ADMINISTRATION. (a) Requires a county that makes a second or subsequent application for a grant from the Texas Department of Transportation (TxDOT) under this subchapter to provide an update and brief description of the status of all ongoing projects.

(b) Authorizes TxDOT to use one percent, rather than one-half of one percent, of the amount deposited into the transportation infrastructure fund in the preceding fiscal year, not to exceed \$500,000 in a state fiscal biennium, to administer this subchapter.

Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES.

(i) Authorizes the county to:

(1) use money in the tax increment account to provide funding for one or more transportation infrastructure projects located in the county, rather than the zone;

(2) Makes no change to this subdivision;

(3) use one percent, rather than five percent, of any grant distributed to the county under Subchapter C, Chapter 256, for the administration of a county energy transportation reinvestment zone, not to exceed \$100,000, rather than not to exceed \$250,000;

Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE.

(b) Authorizes the advisory board of a county energy transportation reinvestment zone, except as provided by Subsection (c) (providing that county energy transportation reinvestment zones that are jointly administered are advised by a single joint advisory board for the zones), to consist of the following members appointed by the county judge and approved by the county commissioners court:

(1) up to three oil and gas company representatives who perform a company activity or related service, rather than up to three oil and gas company representatives who perform company activities in the county and are local taxpayers; and

(2) two public members.

SECTION 4. Amends Subchapter A, Chapter 251, Transportation Code, by adding Sections 251.018 and 251.019, as follows:

Sec. 251.018. ROAD REPORTS. Requires that a road condition report made by a county that is operating under a system of administering county roads under Chapter 252 (Systems of County Road Administration) or a special law, including a report made under Section 251.005 (Commissioner's Road Report), include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained along with a brief description of the damage.

SECTION 8. Effective date: September 1, 2015.