

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 2260  
By: Flores  
Transportation  
4/17/2019  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2013, the Texas Legislature passed S.B. 1747 to act as the disbursement mechanism for a corresponding appropriation to fund projects that would improve county road infrastructure in energy producing areas. This occurred because the legislature recognized that existing county road infrastructure was not equipped to handle current and anticipated vehicle traffic in counties that have been at the forefront of the production of oil and natural gas in Texas.

With record production occurring across the state, as well as record severance tax collections, counties have continued to see a need in funding that would allow them to construct, repair, and maintain county roads. Additionally, there is a need to focus funding dollars, if they are appropriated, to the areas of greatest need. Less infrastructure challenges in these revenue producing regions increase severance tax collections that may be used for a wide variety of statewide purposes.

S.B. 2260 seeks to modify the mechanisms by which this grant program functions in order to more efficiently ensure the greatest benefit to these counties, who in turn, generate significant severance tax revenue back to the state for appropriations to statewide areas of need.

In order to promote efficiency and transparency throughout the county transportation infrastructure funds operations, the committee substitute seeks to further target state dollars to counties by using metrics for consideration of eligible entities, as well as address how funds may be used, and the method by which contracts may be entered into by eligible counties. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2260 amends current law relating to the grant program distributing money from the transportation infrastructure fund.

### **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 Section 256.103, Transportation Code, by amending Subsections (a) and (b) and adding Subsections (a-1), as follows:

(a) Requires the Texas Department of Transportation (TxDOT) to develop policies and procedures to administer a grant program under this subchapter (Transportation Infrastructure Fund) to make grants to counties only for transportation infrastructure projects located in areas of the state affected by increased oil and gas production.

(a-1) Provides that a county is eligible for a grant under this subchapter if at least \$10 million in oil and gas production taxes were collected in the county in the fiscal year preceding the fiscal year in which the county applies for a grant, as determined by the comptroller of public accounts of the State of Texas.

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

(1) 10 percent, rather than 20 percent, according to weight tolerance permits, determined by the ratio of weight tolerance permits issued in the preceding fiscal year for the county 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 changes to this subdivision;

(3) 45 percent according to horizontal well completions, determined by the ratio of horizontal well completions in the preceding fiscal year in the county to the total number of horizontal well completions in the state in that fiscal year, rather than 50 percent according to well completions, determined by the ratio of well completions in the preceding fiscal year in the county to the total number of well completions in the state in that fiscal year, as determined by the Railroad Commission of Texas (Railroad Commission); and

(4) makes a nonsubstantive change to this subdivision;

(5) 15 percent according to vertical well completions, determined by the ratio of vertical well completions in the preceding fiscal year in the county to the total number of vertical well completions in the state in that fiscal year, as determined by the railroad commission.

SECTION 2. Amends Section 256.104(a), Transportation Code, as follows:

(a) Requires the county, in applying for a grant under this subchapter to:

(1) makes no changes to this subdivision; and

(2) submit to TxDOT a plan that includes certain information. Deletes existing text relating to the plan providing for matching funds as required by Section 256.105 (Matching Funds) and makes nonsubstantive changes.

SECTION 3. Amends Subchapter C, Chapter 256, Transportation Code, by adding Sections 256.107 and 256.108, as follows:

**Sec. 256.107. COMPETITIVE BIDDING REQUIRED FOR CONTRACTS FUNDED BY GRANTS.** (a) Requires a county that enters into a contract for a transportation infrastructure project that involves construction or maintenance of roads and is funded by a grant under this subchapter to, except as otherwise provided by law:

(1) advertise for bids for the contract in a manner prescribed by law;

(2) receive competitive bids for the contract, publicly open the bids, and read aloud the names of the bidders and their bids; and

(3) award the contract to the lowest responsible bidder.

(b) Requires a county, in advertising for bids under Subsection (a), to prepare a request for competitive bids that includes construction documents, estimated budget, project scope, estimated project completion date, and other information that a bidder may require to submit a bid.

(c) Requires the county that awarded the contract, not later than the seventh day after the date a contract described by Subsection (a) is awarded, to document the basis of its selection and to make the evaluations public.

Sec. 256.108. PERIOD FOR SPENDING GRANT. Requires a grant awarded under this subchapter to be spent not later than the fifth anniversary of the date of the award.

SECTION 4. Repealer: Section 256.105 (Matching Funds), Transportation Code.

SECTION 5. Makes application of Section 256.107, as added by this Act, prospective.

SECTION 6. Effective date: September 1, 2019.