By: DeAyala H.B. No. 5177

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain tolls and charges imposed by certain counties; authorizing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 284, Transportation Code, is amended by adding Section 284.014 to read as follows:

Sec. 284.014. RESTRICTION ON USE OF REVENUE FROM TOLLS AND OTHER CHARGES IN CERTAIN COUNTIES. (a) This section applies only to a county with a population of four million or more.

(b) Except as provided by Subsection (c), a county that imposes tolls or charges as otherwise authorized by this chapter may only use the revenues collected from the tolls or charges to pay the costs of operating, expanding, maintaining, or administering a toll project or system or to retire debt related to a toll project or system. This subsection applies to any fees received by a county for operating a toll project of another entity but does not apply to any other revenue of a toll project that is collected by the county on behalf of another entity under an agreement with the entity.

(c) Of the revenues collected from tolls and charges that remain after paying the costs described by Subsection (b):

(1) 30 percent of the amount remaining shall be distributed to the municipality that contains more than 40 percent of the number of lane miles of the toll project and may be used only to reimburse the municipality for the costs of providing law

enforcement and other emergency services during accidents and disasters affecting a project of the county; and

(2) 70 percent of surplus revenue shall be distributed to the county for use on county owned and maintained roads. A minimum of 95% of the surplus revenue received by the county shall be allocated to the commissioner precincts based on the percentage of roads owned and maintained by the County in each precinct per the County's Road Log excluding toll roads and freeways as of September 1st before the beginning of the next fiscal year.

(3) The County may allocate up to 5% of the funds to other County Departments or projects with countywide impact, as determined by the county, for state, county, or municipal facilities, the funds are restricted to roads, streets, highways and related facilities.

(d) An independent auditor hired by a county to audit the county's annual financial report made to the commissioners court and to the district judges of the county under Section 114.025, Local Government Code, shall report any violation of Subsection (b) to the department.

(e) The department shall promptly investigate a report received under Subsection (d). If the department determines that the county violated Subsection (b) and the violation is:

(1) a first violation of Subsection (b), the department shall impose an administrative penalty against the county in an amount equal to 110 percent of the amount of revenues used by the county in violation of Subsection (b); or

(2) a second or subsequent violation of Subsection

(b), the department shall impose an administrative penalty against the county in an amount equal to 100 percent of the amount of revenues used by the county in violation of Subsection (b).

(f) A county for which an administrative penalty is imposed under Subsection (e) shall pay the penalty out of the general fund of the county. An administrative penalty may only be used as provided by Subsection (b).

(g) Notwithstanding any other law, a county for which an administrative penalty is imposed under Subsection (e)(2) may not adopt a tax rate for the tax year following the tax year in which the penalty was imposed that exceeds the lesser of the county's no-new-revenue tax rate or voter-approval tax rate, as determined under Section 26.04, Tax Code, for that tax year.

SECTION 2. This Act takes effect September 1, 2025.