

Amend **HB 471** by striking all below the enacting clause and substituting the following:

SECTION 1. Subchapter C, Chapter 201, Transportation Code, is amended by adding Section 201.115 to read as follows:

Sec. 201.115. BORROWING MONEY. (a) The commission may borrow money from any source to carry out the functions of the department.

(b) A loan under this section may be in the form of an agreement, note, contract, or other form as determined by the commission and may contain any provisions the commission considers appropriate, except:

(1) the term of the loan may not exceed two years;

(2) the amount of the loan, combined with any amounts outstanding on other loans under this section, may not exceed the average monthly revenue deposited to the state highway fund for the 12 months preceding the month of the loan; and

(3) the loan may not create general obligation of the state and is payable only as authorized by legislative appropriation.

(c) If the commission borrows money by the issuance of notes, the notes shall be issued in accordance with the requirements of Subchapter N, except that the maturity limitations in Subsection (b) supersede the maturity limitations in Section 201.963.

(d) Notwithstanding Section 222.001, money in the state highway fund may be used to repay a loan under this section, if appropriated by the legislature for that purpose.

SECTION 2. Chapter 201, Transportation Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. HIGHWAY TAX AND REVENUE ANTICIPATION NOTES

Sec. 201.961. DEFINITIONS. In this subchapter:

(1) "Committee" means the cash management committee described in Section 404.122, Government Code.

(2) "Credit agreement" has the meaning assigned by Section 1208.001, Government Code.

(3) "Notes" means tax and revenue anticipation notes issued under this subchapter. The term includes any obligation

under a credit agreement.

Sec. 201.962. NOTES AUTHORIZED; COMMITTEE APPROVAL. (a) In anticipation of a temporary cash flow shortfall in the state highway fund during any fiscal year, the commission, subject to the approval of the committee, may issue, sell, and deliver tax and revenue anticipation notes on behalf of the state.

(b) Before issuing the notes, the commission shall submit to the committee a state highway fund cash flow shortfall forecast containing a detailed report of estimated revenue and expenditures. Based on the forecast, the committee may approve the issuance of notes in an amount not to exceed the maximum temporary cash flow shortfall forecast.

Sec. 201.963. ISSUANCE OF NOTES. (a) The commission, consistent with the committee's determination under Section 201.962, may issue, sell, and deliver the notes.

(b) Notes issued under this subchapter are not debts of the state and may be used only to make up a temporary shortfall in the state highway fund's cash flow. All notes must mature and be paid in full during the fiscal biennium in which they were issued.

(c) Except as otherwise provided by this subsection, the proceeds of the notes shall be deposited in a special fund in the state treasury known as the highway tax and revenue anticipation note fund. Notwithstanding any other provision of law, depository interest shall be credited to the fund. The department shall transfer the net proceeds from the fund to the state highway fund as necessary to pay authorized expenditures. The comptroller may invest funds in the highway tax and revenue anticipation note fund as authorized under Section 404.024, Government Code. Proceeds of a credit agreement may be deposited as provided by the order authorizing the credit agreement.

(d) The commission may exercise the powers granted to the governing body of an issuer in connection with the issuance of obligations under Chapter 1371, Government Code, to the extent not inconsistent with this subchapter. The notes are not subject to review by the Bond Review Board but are subject to review and approval by the attorney general as provided by Chapter 1371, Government Code. On request, the comptroller may assist the

commission with the issuance of notes under this subchapter.

(e) The commission is an authorized issuer under Chapter 1201, Government Code, and that chapter applies to notes authorized by this subchapter.

(f) Amounts in the highway tax and revenue anticipation note fund may be pledged to secure the payment of the notes and performance of obligations under credit agreements relating to the notes and may be used to pay issuance costs and required rebates to the federal government.

Sec. 201.964. FUND TRANSFERS; INTEREST; PAYMENT OF NOTES.

(a) The department periodically shall transfer cash received in the state highway fund to the highway tax and revenue anticipation note fund to ensure the timely payment of the notes.

(b) On payment of all outstanding notes, rebates to the federal government, and costs of issuance, the department shall transfer to the state highway fund any amounts remaining in the highway tax and revenue anticipation note fund. If amounts credited to the highway tax and revenue anticipation note fund are insufficient to pay principal, any premium, interest, issuance costs, and any required rebate to the federal government, amounts in the state highway fund are available for appropriation by the legislature to make those payments.

SECTION 3. For the fiscal biennium beginning September 1, 2003, the Texas Department of Transportation is appropriated all money deposited in the highway tax and revenue anticipation note fund for the purposes specified in Subchapter N, Chapter 201, Transportation Code, as added by this Act, during that biennium. To the extent that money deposited into the highway tax and revenue anticipation note fund is insufficient to pay the principal of, any premium or interest on, or costs of issuance relating to the notes, and rebates to the federal government, the department is appropriated from the state highway fund the amounts necessary for the full repayment of all principal of, any premium or interest on, or costs of issuance relating to the notes, and rebates to the federal government.

SECTION 4. (a) Section 1 of this Act takes effect on the date on which the constitutional amendment proposed by the 78th

Legislature, Regular Session, 2003, providing for authorization of the borrowing of money on a short-term basis by a state transportation agency for transportation-related projects takes effect. If that amendment is not approved by the voters, Section 1 of this Act has no effect.

(b) Sections 2 and 3 of this Act take effect September 1, 2003.