

Amend CSHB 3588 by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES appropriately:

ARTICLE _____. CONVERSION OF NONTOLL STATE HIGHWAY

SECTION _____.01. Subchapter A, Chapter 284, Transportation Code, is amended by adding Section 284.009 to read as follows:

Sec. 284.009. CONVEYANCE OF STATE HIGHWAY TO COUNTY. (a) The commission may convey a nontoll state highway or a segment of a nontoll state highway, including real property acquired to construct or operate the highway, to a county for operation and maintenance as a project under this chapter if:

(1) the commission determines that the proposed conveyance will improve overall mobility in the region or is the most feasible and economic means of accomplishing necessary improvements to the highway;

(2) any funds paid by the department for the construction, maintenance, and operation of the conveyed highway are repaid to the department; and

(3) the county agrees to assume all liability and responsibility for the maintenance and operation of the conveyed highway on its conveyance.

(b) A county that receives a nontoll state highway or a segment of a nontoll state highway under Subsection (a) may own, operate, and maintain the highway as a pooled project under Section 284.065.

(c) The commission shall, at the time of a conveyance, remove the highway or segment of highway from the state highway system. After a conveyance, the department has no liability, responsibility, or duty for the maintenance or operation of the highway or segment.

(d) The commission may waive all or a portion of an amount due under Subsection (a)(2) if it finds that the conveyance will result in substantial net benefits to the state, the department, and the traveling public that equal or exceed the amount of payment waived.

(e) Before conveying a nontoll state highway or a segment of a nontoll state highway under this section, the commission shall

conduct a public hearing to receive comments from interested persons concerning the proposed conveyance. Notice of the hearing shall be published in the Texas Register and in one or more newspapers of general circulation in any county in which the highway or segment is located.

(f) A county may use toll revenue collected under this section to fund a transportation project or an air quality project.

(g) The commission shall adopt rules implementing this section, including criteria and guidelines for approval of a conveyance of a highway or segment.

(h) Funds received by the department under this section:

(1) shall be deposited to the credit of the state highway fund; and

(2) are exempt from the application of Section 403.095, Government Code.

(i) In this section:

(1) "Air quality project" means a project or program of a county or another governmental entity that the county determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads within the county.

(2) "Transportation project" means the construction, improvement, maintenance, or operation of a transportation facility:

(A) under the jurisdiction of a county or another governmental entity;

(B) located inside or outside the county; and

(C) that the county determines will improve mobility within the county.

SECTION ____ .02. Section 362.0041, Transportation Code, is amended by amending Subsections (a), (c), and (d) and adding Subsections (e)-(h) to read as follows:

(a) Except as provided in Subsections [~~Subsection~~] (d) and (g), [if] the commission may by order convert [finds that the conversion of] a segment of the free state highway system to a toll facility if it determines that the conversion will improve overall mobility in the region or is the most feasible and economic means to

accomplish necessary [~~expansion~~] improvements [~~, or extensions~~] to that segment or to another segment of the state highway system [~~that segment may be converted by order of the commission to a turnpike project under Chapter 361~~].

(c) The commission shall adopt rules implementing this section, including [~~such rules to include~~] criteria and guidelines for the approval of a conversion of a highway.

(d) The commission may not convert the Queen Isabella Causeway in Cameron County to a toll facility [~~turnpike project~~].

(e) Subchapter G, Chapter 361, applies to a highway converted to a toll facility under this section.

(f) Toll revenue collected under this section:

(1) shall be deposited in the state highway fund;

(2) may be used by the department for any function performed by the department or to fund an air quality project; and

(3) is exempt from the application of Section 403.095, Government Code.

(g) The commission may not convert a segment of the state highway system under this section unless it obtains the approval of the metropolitan planning organization within whose boundaries the segment is located.

(h) In this section, "air quality project" means a project or program of the department or another governmental entity that the commission determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

SECTION ____ .03. Section 366.035, Transportation Code, is amended to read as follows:

Sec. 366.035. CONVEYANCE [~~CONVERSION~~] OF STATE HIGHWAY [~~SYSTEM PROJECTS~~]. (a) The commission may convey a nontoll state highway or a segment of a nontoll state highway, including real property acquired to construct or operate the highway, to an authority for operation and maintenance as a turnpike project under this chapter if:

(1) the commission determines that the proposed conveyance will improve overall mobility in the region or is the most feasible and economic means to accomplish necessary improvements to the highway;

(2) any funds paid by the department for the construction, maintenance, and operation of the conveyed highway are repaid to the department; and

(3) the authority agrees to assume all liability and responsibility for the maintenance and operation of the conveyed highway on its conveyance.

(b) [Except as provided under Subsection (g), if the commission determines that the most feasible and economic means to accomplish necessary expansion, improvements, or extensions to the state highway system is the conversion to a turnpike project of a segment of the free state highway system, any segment located in a county of an authority or a county in which an authority operates a turnpike project or in any county adjacent to those counties may, on approval of the governor and the affected authority, be transferred by order of the commission to that authority.] An authority that receives the segment or ~~[of]~~ highway may own, operate, and maintain the segment or highway as a turnpike project or system or a part of a turnpike project or system under this chapter.

(c) The commission may waive all or a portion of an amount due under Subsection (a)(2) if it finds that the conveyance will result in substantial net benefits to the state, the department, and the traveling public that equal or exceed the amount of payment waived.

(d) [(b) An authority shall reimburse the commission for the cost of a transferred highway, unless the commission determines that the transfer will result in substantial net benefits to the state, the department, and the traveling public that exceed that cost. The cost includes the total amount expended by the department for the original construction of the highway, including all costs associated with the preliminary engineering and design engineering for plans, specifications, and estimates, the acquisition of necessary rights-of-way, and actual construction of the highway and all necessary appurtenant facilities. Costs anticipated to be expended to expand, improve, or extend the highway shall be deducted from the costs to be reimbursed to the commission.]

[(c)] The commission shall, at the time of a conveyance ~~[transfer]~~, remove the segment or ~~[of]~~ highway from the state

highway system. After a conveyance, [~~transfer~~] the commission has no liability, responsibility, or duty for the maintenance or operation of the segment or highway.

(e) [~~(d)~~] Before conveying [~~transferring~~] a segment or [~~of the state~~] highway [~~system~~] under this section, the commission shall conduct a public hearing to receive comments from interested persons concerning the proposed conveyance [~~transfer~~]. Notice of the hearing must be published in the Texas Register, one or more newspapers of general circulation in the counties in which the segment or highway is located, and a newspaper, if any, published in the counties of the applicable authority.

(f) An authority may use toll revenue collected under this section to fund a transportation project or an air quality project.

(g) [~~(e)~~] The commission shall adopt rules implementing this section. The rules shall include criteria and guidelines for the approval of a conveyance [~~transfer~~] of a highway.

(h) [~~(f)~~] An authority shall adopt rules providing criteria and guidelines for approving the acceptance of a highway under this section.

(i) [~~(g)~~] The commission may not transfer the Queen Isabella Causeway in Cameron County to an authority under this section.

(j) Funds received by the department under this section:

(1) shall be deposited to the credit of the state highway fund; and

(2) are exempt from the application of Section 403.095, Government Code.

(k) In this section:

(1) "Air quality project" means a project or program of an authority or another governmental entity that the authority determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads within the counties of the authority.

(2) "Transportation project" means the construction, improvement, maintenance, or operation of a transportation facility:

(A) under the jurisdiction of an authority or

another governmental entity;

(B) located inside or outside the counties of the authority; and

(C) that the authority determines will improve mobility within the counties of the authority.