

BILL ANALYSIS

H.B. 1806
By: Hill
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Funding constraints at all levels of government are making it more difficult to effectively address mobility concerns utilizing traditional means, such as the "pay-as-you-go" system currently used by the Texas Department of Transportation to fund almost all transportation projects. This lack of adequate funding for needed state highway and other public transportation projects makes it necessary for the Texas Department of Transportation to seek new and innovative solutions to satisfy transportation demand.

The Texas Mobility Fund was established in 2001 as a fund supplementary to the "pay-as-you-go" system that allows the Texas Transportation Commission to issue bonds, notes, and other obligations to pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways and other public transportation projects that will improve mobility for Texas motorists. The commission may issue obligations secured by and payable from a pledge of and lien on all or part of the money in the Texas Mobility Fund.

The Legislature has not yet dedicated or appropriated any money to the Texas Mobility Fund. The purpose of H.B. 1806 is to authorize the Texas Transportation Commission to issue certain obligations and enter into credit agreements securing the obligations that may be used to fund needed transportation projects without regard to whether there is sufficient money in the Texas Mobility Fund to secure the payment of the obligations or credit agreements.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 1806 amends Subchapter M, Chapter 201, Transportation Code, by adding Section 201.9431, as follows:

Sec. 201.9431. OBLIGATIONS NOT SECURED BY FUND

Sec. 201.9431(a). Authorizes the Texas Transportation Commission to by order issue not more than \$1 billion in obligations, enter into credit agreements relating to the obligations, and guarantee on behalf of the state payment of the obligations and credit agreements by pledging the full faith and credit of the state without securing payment of the obligations and credit agreements by a pledge of and lien on all or part of money in the Texas Mobility Fund or obtaining a projection or certification from the comptroller as to the amount of money on deposit in the fund.

Sec. 201.9431(b). Provides that the Texas Transportation Commission may issue obligations and enter into credit agreements under Section 201.9431(a) without regard to whether there is any or sufficient money in the Texas Mobility Fund.

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Sec. 201.9431(b). Provides that the Texas Transportation Commission may issue obligations and enter into credit agreements under Section 201.9431(a) without regard to whether there is any or sufficient money in the Texas Mobility Fund.

Sec. 201.9431(c). Provides that except as provided by Section 201.9431, all other provisions of Subchapter M, Chapter 201 apply to obligations issued and credit agreements entered into under that section.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

Sec. 201.9431(c). Provides that except as provided by Section 201.9431, all other provisions of Subchapter M, Chapter 201 apply to obligations issued and credit agreements entered into under that section.

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