

By: Ogden, Lucio

S.B. No. 1083

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the issuance of bonds and other public securities  
3 secured by the state highway fund and the financing and  
4 construction of highway improvement projects.

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

6 SECTION 1. Subchapter A, Chapter 222, Transportation Code,  
7 is amended by adding Section 222.003 to read as follows:

8 Sec. 222.003. ISSUANCE OF BONDS SECURED BY STATE HIGHWAY  
9 FUND. (a) The commission may issue bonds and other public  
10 securities secured by a pledge of and payable from revenue  
11 deposited to the credit of the state highway fund.

12 (b) The aggregate principal amount of the bonds and other  
13 public securities that are issued may not exceed \$5 billion. The  
14 commission may only issue bonds or other public securities in an  
15 aggregate principal amount of not more than \$1 billion each year.

16 (c) Proceeds from the sale of bonds and other public  
17 securities issued under this section shall be used to fund state  
18 highway improvement projects. Of the aggregate principal amount of  
19 bonds and other public securities that may be issued under this  
20 section, at least 20 percent of the proceeds from the bonds or other  
21 public securities shall be used to fund highway safety improvement  
22 projects that correct or improve hazardous locations on the state  
23 highway system, as determined by the commission.

24 (d) The commission by rule shall prescribe criteria for

1 selecting highway safety improvement projects eligible for funding  
2 under this section. In establishing these criteria, the commission  
3 shall consider accident data, traffic volume, pavement geometry,  
4 and other conditions that can create or exacerbate hazardous  
5 roadway conditions.

6 (e) The proceeds of bonds and other public securities issued  
7 under this section may not be used for any purpose other than any  
8 costs related to the bonds and other public securities and the  
9 purposes for which revenues are dedicated under Section 7-a,  
10 Article VIII, Texas Constitution. The proceeds of bonds and other  
11 public securities issued under this section may not be used for the  
12 construction of a state highway or other facility on the Trans Texas  
13 Corridor. For purposes of this section, the "Trans Texas Corridor"  
14 means the statewide system of multimodal facilities under the  
15 jurisdiction of the department that is designated by the  
16 commission, notwithstanding the name given to that corridor.

17 (f) The commission may enter into bond enhancement  
18 agreements relating to the bonds and other public securities  
19 authorized by this section. The agreements may be secured by and  
20 payable from the same sources as the bonds and other public  
21 securities.

22 (g) All laws affecting the issuance of bonds and other  
23 public securities by governmental entities, including Chapters  
24 1201, 1202, 1204, 1207, 1231, and 1371, Government Code, apply to  
25 the issuing of bonds and other public securities and the entering  
26 into of bond enhancement agreements under this section.

27 (h) The proceeds of bonds and other public securities issued

1 under this section may be used to:

2 (1) finance other funds relating to the public  
3 security, including debt service reserve and contingency; and

4 (2) pay the cost or expense of the issuance of the  
5 public security.

6 (i) Bonds and other public securities and bond enhancement  
7 agreements authorized by this section may not have a principal  
8 amount or terms that, at the time the bonds or other public  
9 securities are issued or the agreements entered into, are expected  
10 by the commission to cause annual expenditures with respect to the  
11 obligations to exceed 10 percent of the amount deposited to the  
12 credit of the state highway fund in the immediately preceding year.

13 (j) Bonds and other public securities issued under this  
14 section may be sold in such manner and subject to such terms and  
15 provisions as set forth in the order authorizing their issuance,  
16 and such bonds and other public securities must mature not later  
17 than 20 years after their dates of issuance, subject to any  
18 refundings or renewals.

19 (k) The comptroller shall withdraw from the state highway  
20 fund and forward at the direction of the commission to another  
21 person the amounts as determined by the commission to permit timely  
22 payment of:

23 (1) the principal of and interest on the bonds and  
24 other public securities that mature or become due; and

25 (2) any cost related to the bonds and other public  
26 securities that become due, including payments under bond  
27 enhancement agreements.

1           SECTION 2. This Act takes effect on the date on which the  
2 constitutional amendment proposed by the 78th Legislature, Regular  
3 Session, 2003, that authorizes the legislature to provide for the  
4 issuance of bonds and other public securities secured by the state  
5 highway fund for highway improvement projects takes effect. If  
6 that amendment is not approved by the voters, this Act has no  
7 effect.