

By: Ogden

S.B. No. 1083

A BILL TO BE ENTITLED

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AN ACT

relating to the issuance of bonds and other public securities secured by the state highway fund and the financing and construction of highways.

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

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

Sec. 222.003. ISSUANCE OF BONDS SECURED BY STATE HIGHWAY FUND. (a) The commission may issue bonds and other public securities secured by a pledge of and payable from revenue deposited to the credit of the state highway fund. The total amount of the bonds and other public securities may not exceed \$5 billion.

(b) \$1 billion from the sale of bonds and other public securities issued under this section shall be used only to fund highway safety improvement projects that correct or improve hazardous locations on the state highway system.

(c) The commission by rule shall prescribe criteria for selecting highway safety improvement projects eligible for funding under this section. In establishing these criteria, the commission shall consider accident data, traffic volume, pavement geometry, and other conditions that can create or exacerbate hazardous roadway conditions.

(d) The proceeds of bonds and other public securities issued under this section may not be used for any purpose other than the

1 purposes for which revenues are dedicated under Section 7-a,
2 Article VIII, Texas Constitution.

3 (e) The commission may enter into bond enhancement
4 agreements relating to the bonds and other public securities
5 authorized by this section. The agreements may be secured by and
6 payable from the same sources as the bonds and other public
7 securities.

8 (f) Chapters 1201, 1202, 1204, 1231, and 1371, Government
9 Code, apply to the issuing of bonds and other public securities and
10 the entering into of bond enhancement agreements under this
11 section.

12 (g) Bonds and other public securities and bond enhancement
13 agreements authorized by this section may not have a principal
14 amount or terms that, at the time the bonds or other public
15 securities are issued or the agreements entered into, are expected
16 to cause annual expenditures with respect to all the bond
17 obligations to exceed 10 percent of the amount deposited to the
18 credit of the state highway fund in the year prior to issue.

19 (h) Bonds and other public securities issued under this
20 section must mature not later than 15 years after their dates of
21 issuance, subject to any refundings or renewals.

22 (i) The comptroller shall withdraw from the state highway
23 fund and forward to the commission or another person at the
24 direction of the commission the amounts as determined by the
25 commission to permit timely payment of:

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

1 (2) any cost related to the bonds and other public
2 securities that becomes due, including payments under bond
3 enhancement agreements.

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