

1-1 By: Ogden S.B. No. 1083
1-2 (In the Senate - Filed March 10, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Infrastructure Development
1-4 and Security; April 9, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 April 9, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1083 By: Ogden

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the issuance of bonds and other public securities
1-11 secured by the state highway fund and the financing and
1-12 construction of highway improvement projects.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter A, Chapter 222, Transportation Code,
1-15 is amended by adding Section 222.003 to read as follows:

1-16 Sec. 222.003. ISSUANCE OF BONDS SECURED BY STATE HIGHWAY
1-17 FUND. (a) The commission may issue bonds and other public
1-18 securities secured by a pledge of and payable from revenue
1-19 deposited to the credit of the state highway fund.

1-20 (b) The aggregate principal amount of the bonds and other
1-21 public securities that are issued may not exceed \$5 billion. The
1-22 commission may only issue bonds or other public securities in an
1-23 aggregate principal amount of not more than \$1 billion each year.

1-24 (c) Proceeds from the sale of bonds and other public
1-25 securities issued under this section shall be used to fund highway
1-26 improvement projects. Of the aggregate principal amount of bonds
1-27 and other public securities that may be issued under this section,
1-28 at least 20 percent of the proceeds from the bonds or other public
1-29 securities shall be used to fund highway safety improvement
1-30 projects that correct or improve hazardous locations on the state
1-31 highway system, as determined by the commission.

1-32 (d) The commission by rule shall prescribe criteria for
1-33 selecting highway safety improvement projects eligible for funding
1-34 under this section. In establishing these criteria, the commission
1-35 shall consider accident data, traffic volume, pavement geometry,
1-36 and other conditions that can create or exacerbate hazardous
1-37 roadway conditions.

1-38 (e) The proceeds of bonds and other public securities issued
1-39 under this section may not be used for any purpose other than any
1-40 costs related to the bonds and other public securities and the
1-41 purposes for which revenues are dedicated under Section 7-a,
1-42 Article VIII, Texas Constitution.

1-43 (f) The commission may enter into bond enhancement
1-44 agreements relating to the bonds and other public securities
1-45 authorized by this section. The agreements may be secured by and
1-46 payable from the same sources as the bonds and other public
1-47 securities.

1-48 (g) All laws affecting the issuance of bonds and other
1-49 public securities by governmental entities, including Chapters
1-50 1201, 1202, 1204, 1207, 1231, and 1371, Government Code, apply to
1-51 the issuing of bonds and other public securities and the entering
1-52 into of bond enhancement agreements under this section.

1-53 (h) The proceeds of bonds and other public securities issued
1-54 under this section may be used to:

1-55 (1) finance other funds relating to the public
1-56 security, including debt service reserve and contingency; and

1-57 (2) pay the cost or expense of the issuance of the
1-58 public security.

1-59 (i) Bonds and other public securities and bond enhancement
1-60 agreements authorized by this section may not have a principal
1-61 amount or terms that, at the time the bonds or other public
1-62 securities are issued or the agreements entered into, are expected
1-63 by the commission to cause annual expenditures with respect to the

obligations to exceed 10 percent of the amount deposited to the credit of the state highway fund in the immediately preceding year.

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

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

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

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

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

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