

Amend CSHB 2702 (Senate committee printing) by adding the following appropriately numbered SECTIONS to Article 2 of the bill and renumbering subsequent SECTIONS as appropriate:

SECTION \_\_. Section 201.1055, Transportation Code, is amended to read as follows:

Sec. 201.1055. AGREEMENTS WITH PRIVATE ENTITIES. (a) Notwithstanding any other law, including Subchapter A, Chapter 2254, Government Code, Chapters 2165, 2166, and 2167, Government Code, and Sections 202.052, 202.053, 203.051, 203.052, and 223.001 of this code, the department and a private entity that offers the best value to the state may enter into an agreement for the [~~that includes~~]:

(1) acquisition, [both] design, [and] construction, or renovation, including site development, of a building or other facility required to support department operations [district office headquarters facility] located on real property owned or acquired by the department [in a county with a population of 3.3 million or more]; or

(2) acquisition from the private entity of real property, a building, or other facility required to support department operations that is constructed on the real property in exchange for department-owned real property, including any improvements [a lease of department-owned real property in a district that includes a county with a population of 3.3 million or more to the private entity;

~~[(3) a provision authorizing the private entity to construct and retain ownership of a building on property leased to the entity under Subdivision (2); and~~

~~[(4) a provision under which the department agrees to enter into an agreement to lease with an option or options to purchase a building constructed on property leased to the entity under Subdivision (2)].~~

(b) A project described by this section that is not wholly paid for by an exchange of department-owned real property may be financed in accordance with Section 1232.111, Government Code.

(c) Notwithstanding Section 202.024, the commission may authorize the executive director to execute a deed exchanging

department-owned real property under Subsection (a)(2).

(d) The commission shall notify the Bond Review Board and Texas Public Finance Authority of the proposed transaction not less than 45 days before the date the commission signs an agreement under this section providing for the exchange of department-owned real property under Subsection (a)(2).

(e) An agreement under this section providing for the exchange of department-owned real property under Subsection (a)(2) that has an appraised value greater than the appraised value of real property and improvements acquired by the department under the agreement must require the private entity to compensate the department for the difference. Any compensation paid by a private entity must be deposited to the credit of the state highway fund and is exempt from the application of Section 403.095, Government Code.

SECTION \_\_. Section 221.001(1), Transportation Code, is amended to read as follows:

(1) "Highway" includes a public road or part of a public road and a bridge, culvert, building, or other necessary structure related to a public road.

SECTION \_\_. Section 2166.302, Government Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) Except as provided by Subsections [~~Subsection~~] (b) and (c), the commission shall adopt uniform general conditions to be incorporated into all building construction contracts made by the state, including a contract for a project excluded from this chapter by Section 2166.003, but not including a contract for a project excluded from this chapter by Section 2166.004.

(c) Subsection (a) does not apply to a project constructed by and for the Texas Department of Transportation.

SECTION \_\_. Subchapter C, Chapter 1232, Government Code, is amended by adding Section 1232.111 to read as follows:

Sec. 1232.111. CERTAIN PROJECTS BY TEXAS DEPARTMENT OF TRANSPORTATION. (a) The authority may issue and sell obligations to finance one or more projects described by Section 201.1055(a), Transportation Code. Notwithstanding Section 1232.108(2), the estimated cost of the project must be specified in the General Appropriations Act or other law.

(b) Any provision of this chapter that relates to the issuance or sale of obligations to finance the acquisition or construction of a building, including provisions relating to form, procedure, repayment, actions that may be taken to ensure that the payment of the principal of and interest on the obligations is continued without interruption, and other relevant matters, applies to the issuance or sale of obligations under this section to the extent that the provision may be appropriately made applicable.

(c) The legislature may appropriate money from any available source, including the state highway fund, to the Texas Department of Transportation to make lease payments to the authority for space occupied by the department in a building acquired or constructed under Section 201.1055(a), Transportation

Code.