

BILL ANALYSIS

S.B. 1434
By: Madla
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires 25 percent of an advanced transportation district's sales tax proceeds to go to the Texas Department of Transportation (TxDOT). However, the local match could be inaccessible if federal funds are not available for certain projects. By sending the money to a local governmental jurisdiction which can issue bonds and pay the debt service on the bonds with the sales tax proceeds, local transportation projects are expedited and completed more quickly.

S.B. 1434 amends Subchapter O, Chapter 451, Transportation Code, to expressly provide that the portion of the advanced transportation district's additional sales and use tax that is currently deposited into an account for TxDOT to use as local match for federal funds, may be transferred to a local government corporation which will issue bonds to expedite local transportation projects and thereafter pledge to pay the debt service requirements, administrative costs, and other bond-related costs for any service obligations issued by the local government corporation.

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

SECTION 1. Amends Section 451.701(4), Transportation Code, to redefine "mobility enhancement."

SECTION 2. Amends Section 451.702, Transportation Code, by amending Subsections (f) and (i) and adding Subsections (k), (l), and (m), as follows:

(f) Includes certain purposes among the advanced transportation purposes.

(i) Authorizes funds in the account, together with interest or other revenues earned by those funds, to be used as determined by the governing body of the district only to provide the appropriate amount to the Texas Department of Transportation (TxDOT), a county or municipality in which the district is located, or a local government corporation created under Chapter 431 (Texas Transportation Corporation Act), as the local share of a state or federal grant, including a transfer of money by TxDOT or another state or federal entity under an agreement with a county, municipality, or local government corporation created by the county or municipality under Chapter 431, for advanced transportation or mobility enhancement purposes in the territory of the district.

(k) Authorizes the governing body of the district, pursuant to its authority under Subsection (i) to enter into an agreement or other contractual arrangement with a county, municipality, or local government corporation created under Chapter 431 by a county or municipality to transfer proceeds of the district's sales and use tax identified in Subsection (i) to the county, municipality, or local government corporation to finance any cost relating to mobility enhancement purposes in the territory or district. Authorizes the county, municipality, or local government corporation to pledge and create a lien on the proceeds transferred. Provides that the lien and pledge are subject to Chapter 1208 (Security for Public Securities), Government Code. Prohibits money of the district other

than the portion of the district's sales and use tax identified in Subsection (i) from being used or obligated for the purposes identified in Subsection (i).

(l) Authorizes the governing body of the district to enter into an agreement or contractual arrangement under Subsection (k) without the necessity of an election.

(m) Requires the county, municipality, or local government corporation, as a condition of a payment under Subsection (i), to provide the governing body of the district a certificate indicating that the county, municipality, or local government corporation will use the money in conformity with this subchapter.

SECTION 3. Effective date: upon passage or September 1, 2005.

EFFECTIVE DATE

Upon passage or September 1, 2005.