

## **BILL ANALYSIS**

Senate Research Center  
79R8011 DWS-F

S.B. 1434  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

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.

As proposed, 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**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

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

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

(i) Makes conforming changes.

(k) Authorizes the governing body of the district 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 and create a lien on and pledge of the part of the district's sales and use tax identified in Subsection (i) for the benefit of obligations issued or incurred by the county, municipality, or local government corporation to finance any cost relating to mobility enhancement purposes.

(l) Provides that a lien or pledge under Subsection (k) is subject to Chapter 1208 (Securities for Public Securities), Government Code.

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

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