

By: Ogden

S.B. No. 2051

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the Texas Transportation Commission, subject to legislative review and approval, to designate an area adjacent to a state highway project as a transportation finance zone and requiring that the revenue from the state sales and use taxes imposed in a transportation finance zone be used to pay obligations issued in connection with the state highway project located in the zone.

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

SECTION 1. Subchapter M, Chapter 201, Transportation Code, is amended by adding Section 201.9435 to read as follows:

Sec. 201.9435. TRANSPORTATION FINANCE ZONES. (a) This section applies only to a state highway project in connection with which the commission has issued or proposes to issue obligations under Section 201.943.

(b) The commission by order or resolution may designate as a transportation finance zone an area that is adjacent to the right-of-way of an existing or proposed state highway project and within two miles on either side of the center line of the state highway.

(c) The designation of a transportation finance zone is not effective until the legislature has reviewed and approved the designation and boundaries of the zone.

(d) Notwithstanding Section 151.801(a), Tax Code, proceeds

1 from the collection of the taxes imposed by that chapter in  
2 connection with a sale, storage, use, or other consumption that is  
3 consummated in a transportation finance zone shall be deposited to  
4 the credit of a separate account in the fund.

5 (e) The proceeds from the collection of taxes deposited to  
6 the credit of the fund under Subsection (d) may be used only for the  
7 purpose of paying the principal of and interest on obligations  
8 issued in connection with the state highway project located in the  
9 transportation finance zone in which the taxes were collected or a  
10 related credit agreement.

11 (f) A transportation finance zone terminates on the earlier  
12 of:

13 (1) the termination date, if any, specified in the  
14 order or resolution designating the zone; or

15 (2) the date on which the principal of and interest on  
16 the applicable obligations or related credit agreement are paid.

17 (g) The commission and the comptroller shall adopt rules to  
18 implement and administer this section.

19 SECTION 2. This Act takes effect January 1, 2008, but only  
20 if the constitutional amendment authorizing the legislature to  
21 permit the Texas Transportation Commission, subject to legislative  
22 review and approval, to designate the area adjacent to a state  
23 highway project as a transportation finance zone and dedicating the  
24 proceeds of the state sales and use taxes imposed in a  
25 transportation finance zone to the Texas Mobility Fund for certain  
26 purposes is approved by the voters. If that amendment is not  
27 approved by the voters, this Act has no effect.