

By: Ogden

S.J.R. No. 67

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment authorizing the legislature  
3 to permit the Texas Transportation Commission, subject to  
4 legislative review and approval, to designate the area adjacent to  
5 a state highway project as a transportation finance zone and  
6 dedicating the proceeds of the state sales and use taxes imposed in  
7 a transportation finance zone to the Texas Mobility Fund for  
8 certain purposes.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

10 SECTION 1. Section 49-k, Article III, Texas Constitution,  
11 is amended by adding Subsection (e-1) and amending Subsection (g)  
12 to read as follows:

13 (e-1) The legislature by general law may authorize the  
14 commission to designate as a transportation finance zone an area  
15 defined by the general law that is adjacent to the right-of-way of  
16 an existing or proposed state highway, if in connection with  
17 construction, reconstruction, or expansion of the state highway,  
18 including design and right-of-way acquisition costs, the  
19 commission has issued and sold obligations or entered into credit  
20 agreements under Subsection (d) of this section or proposes to  
21 issue and sell obligations or enter into credit agreements under  
22 Subsection (d) of this section. The designation of an area as a  
23 transportation finance zone must be reviewed and approved by the  
24 legislature before the designation may take effect. In addition to

1 other sources of revenue, there is dedicated to the fund the  
2 proceeds of a state tax that is established by general law and  
3 imposed on the first sale of a taxable item in this state or on the  
4 first storage, use, or other consumption in this state of a taxable  
5 item purchased from a retailer for storage, use, or other  
6 consumption in this state, if the first sale or first use is  
7 consummated within the boundaries of a transportation finance zone.  
8 All proceeds from the taxes to which this subsection applies that  
9 are collected within the boundaries of a transportation finance  
10 zone may be deposited to the credit of a separate account in the  
11 fund. Money collected within the boundaries of a transportation  
12 finance zone and deposited to the credit of the fund under this  
13 subsection may be used only for the purpose of paying the principal  
14 of and interest on obligations issued under Subsection (d) of this  
15 section or a related credit agreement entered into under that  
16 subsection in connection with the state highway that is located in  
17 that transportation finance zone. The legislature may limit the  
18 amount of money the comptroller may deposit to the credit of the  
19 fund in any state fiscal year under this subsection.

20 (g) In addition to the dedication of specified sources or  
21 amounts of revenue, taxes, or money as provided by Subsections  
22 [~~Subsection~~] (e) and (e-1) of this section, the legislature may by  
23 law authorize the commission to guarantee the payment of any  
24 obligations and credit agreements issued and executed by the  
25 commission under the authority of this section by pledging the full  
26 faith and credit of the state to that payment if dedicated revenue  
27 is insufficient for that purpose. If that authority is granted and

1 is implemented by the commission, while any of the bonds, notes,  
2 other obligations, or credit agreements are outstanding and unpaid,  
3 and for any fiscal year during which the dedicated revenue, taxes,  
4 and money are insufficient to make all payments when due, there is  
5 appropriated, and there shall be deposited in the fund, out of the  
6 first money coming into the state treasury in each fiscal year that  
7 is not otherwise appropriated by this constitution, an amount that  
8 is sufficient to pay the principal of the obligations and  
9 agreements and the interest on the obligations and agreements that  
10 become due during that fiscal year, minus any amount in the fund  
11 that is available for that payment in accordance with applicable  
12 law.

13 SECTION 2. This proposed constitutional amendment shall be  
14 submitted to the voters at an election to be held November 6, 2007.  
15 The ballot shall be printed to permit voting for or against the  
16 proposition: "The constitutional amendment authorizing the  
17 legislature to permit the Texas Transportation Commission, subject  
18 to legislative review and approval, to designate the area adjacent  
19 to a state highway project as a transportation finance zone and  
20 dedicating the proceeds of the state sales and use taxes imposed in  
21 a transportation finance zone to the Texas Mobility Fund for  
22 certain purposes."