

BILL ANALYSIS

S.B. 883
By: Carona
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State Highway Fund 006 (Fund 006) has at times been used for non-highway purposes such as a loan guarantee or as an insurance for bonds in connection with certain toll projects. The use of Fund 006 for these purposes will eventually affect its value and ultimately have an adverse effect on the state's highway transportation system.

S.B. 883 amends current law relating to the state highway fund participating in the costs associated with a toll facility of a public or private entity.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 222.001, Transportation Code, as follows:

Sec. 222.001. USE OF STATE HIGHWAY FUND. (a) Creates this subsection from existing text.

(b) Prohibits the Texas Department of Transportation, notwithstanding Section 222.103 (Cost Participation), from pledging or otherwise encumbering money deposited in the state highway fund to guarantee a loan obtained by a public or private entity for costs associated with a toll facility of the public or private entity, or insure bonds issued by a public or private entity for costs associated with a toll facility of the public or private entity.

SECTION 2. Makes application of Section 222.001(b), Transportation Code, as added by this Act, prospective, except that that section does not apply to an agreement to pledge or otherwise encumber money in the state highway fund that is associated with certain named road projects, regardless of whether the agreement is finalized on or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2009.

EFFECTIVE DATE

September 1, 2009