

1-1 By: Ogden S.B. No. 505
1-2 (In the Senate - Filed January 21, 2009; February 17, 2009,
1-3 read first time and referred to Committee on Finance; May 1, 2009,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 11, Nays 1; May 1, 2009, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 505 By: Ogden

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to authorizing the designation of an area adjacent to a
1-10 state highway project as a transportation finance zone, and
1-11 authorizing the revenue from the state sales and use taxes imposed
1-12 in the zone to be deposited in a revolving fund and used to repay
1-13 financial assistance provided from the fund for highway projects.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subchapter A, Chapter 222, Transportation Code,
1-16 is amended by adding Section 222.005 to read as follows:

1-17 Sec. 222.005. TRANSPORTATION FINANCE ZONES. (a) The
1-18 commission by order or resolution may designate as a transportation
1-19 finance zone an area that is adjacent to the right-of-way of an
1-20 existing or proposed state highway project and within two miles on
1-21 either side of the center line of the state highway. The area
1-22 designated as a transportation finance zone may extend more than
1-23 two miles on either side of the center line of a state highway if
1-24 necessary, as determined by the commission, to avoid the splitting
1-25 of a location in which the sale, storage, use, or other consumption
1-26 of a taxable item would be consummated. Each transportation
1-27 finance zone shall be designated by the commission with a separate
1-28 number or name.

1-29 (b) The designation of a transportation finance zone is not
1-30 effective until the Legislative Budget Board has reviewed and
1-31 approved the designation and boundaries of the zone.

1-32 (c) Notwithstanding Section 151.801(a), Tax Code, proceeds
1-33 from the collection of the taxes imposed by that chapter in
1-34 connection with a sale, storage, use, or other consumption that is
1-35 consummated in a transportation finance zone shall be deposited in
1-36 the Texas Transportation Revolving Fund or similar revolving fund
1-37 authorized by law, to be used for the repayment of financial
1-38 assistance provided from the revolving fund for highway projects as
1-39 provided by law.

1-40 (d) The proceeds from the collection of taxes deposited to
1-41 the credit of a revolving fund under Subsection (c) may only be used
1-42 for the repayment of financial assistance provided to the
1-43 department for tolled or nontolled highway projects within the
1-44 transportation finance zone in which the taxes were collected, and
1-45 may not be used to provide financial assistance for a project
1-46 developed, constructed, or operated by a private entity under a
1-47 comprehensive development agreement.

1-48 (e) In any state fiscal year the comptroller may not deposit
1-49 more than \$250 million to the credit of a revolving fund under
1-50 Subsection (d).

1-51 (f) A transportation finance zone terminates on the earlier
1-52 of:

1-53 (1) the termination date, if any, specified in the
1-54 order or resolution designating the zone; or

1-55 (2) the date on which the financial assistance secured
1-56 by proceeds from the collection of taxes imposed within the zone has
1-57 been repaid.

1-58 (g) The commission shall adopt rules to implement and
1-59 administer this section.

1-60 SECTION 2. (a) Except as provided in Subsection (b) of
1-61 this section, this Act takes effect January 1, 2010, but only if the
1-62 constitutional amendment authorizing the legislature to permit the
1-63 Texas Transportation Commission, subject to the review and approval

2-1 of the Legislative Budget Board, to designate the area adjacent to a
2-2 state highway project as a transportation finance zone and
2-3 authorizing the revenue from the state sales and use taxes imposed
2-4 in the zone to be deposited in a revolving fund and used to repay
2-5 financial assistance provided from the fund for transportation
2-6 projects is approved by the voters. If that amendment is not
2-7 approved by the voters, this Act has no effect.

2-8 (b) The comptroller of public accounts may not deposit any
2-9 funds to the credit of a revolving fund under Section 222.005,
2-10 Transportation Code, as added by this Act, until September 1, 2012.

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