

By: Ogden

S.J.R. No. 18

A JOINT RESOLUTION

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

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

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

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

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

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

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

12 SECTION 2. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held November 3, 2009.
14 The ballot shall be printed to permit voting for or against the
15 proposition: "The constitutional amendment authorizing the
16 legislature to permit the Texas Transportation Commission, subject
17 to legislative review and approval, to designate the area adjacent
18 to a state highway project as a transportation finance zone and
19 dedicating the proceeds of the state sales and use taxes imposed in
20 a transportation finance zone to the Texas Mobility Fund for
21 certain purposes."