

By: Ogden

S.B. No. 1428

A BILL TO BE ENTITLED

AN ACT

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

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

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

Sec. 222.005. TRANSPORTATION FINANCE ZONES. (a) 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 centerline of the state highway. The area designated as a transportation finance zone may extend more than two miles on either side of the centerline of a state highway if necessary, as determined by the commission, to avoid the splitting of a location in which the sale, storage, use, or other consumption of a taxable item would be consummated. Each transportation finance zone shall be designated by the commission with a separate number or name.

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

1 (c) Notwithstanding Section 151.801(a), Tax Code, proceeds
2 from the collection of the taxes imposed by that chapter in
3 connection with a sale, storage, use, or other consumption that is
4 consummated in a transportation finance zone shall be deposited in
5 the state infrastructure bank or similar revolving fund authorized
6 by law, to be used for the repayment of financial assistance
7 provided from the revolving fund for highway projects as provided
8 by law.

9 (d) The proceeds from the collection of taxes deposited to
10 the credit of a revolving fund under Subsection (c) may only be used
11 for the repayment of financial assistance provided to the
12 department for tolled or nontolled highway projects within the
13 transportation finance zone in which the taxes were collected, and
14 may not be used to provide financial assistance for a project
15 developed, constructed, or operated by a private entity under a
16 comprehensive development agreement.

17 (e) In any state fiscal year the comptroller may not deposit
18 more than \$250 million to the credit of a revolving fund under
19 Subsection (c).

20 (f) A transportation finance zone terminates on the earlier
21 of:

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

24 (2) the date on which the financial assistance secured
25 by proceeds from the collection of taxes imposed within the zone has
26 been repaid.

27 (g) The commission shall adopt rules to implement and

1 administer this section.

2 SECTION 2. (a) Except as provided in Subsection (b) of
3 this section, this Act takes effect January 1, 2012, but only if the
4 constitutional amendment authorizing the legislature to permit the
5 Texas Transportation Commission, subject to legislative review and
6 approval, to designate the area adjacent to a state highway project
7 as a transportation finance zone and authorizing the revenue from
8 the state sales and use taxes imposed in the zone to be deposited in
9 a revolving fund and used to repay financial assistance provided
10 from the fund for transportation projects is approved by the
11 voters. If that amendment is not approved by the voters, this Act
12 has no effect.

13 (b) The comptroller of public accounts may not deposit any
14 funds to the credit of a revolving fund under Section 222.005,
15 Transportation Code, as added by this Act, until September 1, 2014.