

By: Ogden

S.B. No. 1585

A BILL TO BE ENTITLED

AN ACT

relating to state fiscal matters regarding business and economic development.

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

ARTICLE 1. REDUCTION OF EXPENDITURES AND IMPOSITION OF CHARGES

GENERALLY

SECTION 1.01. This article applies to any state agency that receives an appropriation under Article VII of the General Appropriations Act.

SECTION 1.02. Notwithstanding any other statute of this state, each state agency to which this article applies is authorized to reduce or recover expenditures by:

(1) consolidating any reports or publications the agency is required to make and filing or delivering any of those reports or publications exclusively by electronic means;

(2) extending the effective period of any license, permit, or registration the agency grants or administers;

(3) entering into a contract with another governmental entity or with a private vendor to carry out any of the agency's duties;

(4) adopting additional eligibility requirements for persons who receive benefits under any law the agency administers to ensure that those benefits are received by the most deserving persons consistent with the purposes for which the benefits are

1 provided;

2 (5) providing that any communication between the
3 agency and another person and any document required to be delivered
4 to or by the agency, including any application, notice, billing
5 statement, receipt, or certificate, may be made or delivered by
6 e-mail or through the Internet; and

7 (6) adopting and collecting fees or charges to cover
8 any costs the agency incurs in performing its lawful functions.

9 ARTICLE 2. FISCAL MATTERS REGARDING TRANSPORTATION PROJECTS AND
10 ACTIVITIES

11 SECTION 2.01. Article 2.133, Code of Criminal Procedure, is
12 amended by adding Subsection (c) to read as follows:

13 (c) A report under Subsection (b) must also include the race
14 or ethnicity of each passenger in the motor vehicle, as stated by
15 the passenger or, if the passenger does not state the person's race
16 or ethnicity, as determined by the officer to the best of the
17 officer's ability.

18 SECTION 2.02. Section 201.601, Transportation Code, is
19 amended by adding Subsection (e) to read as follows:

20 (e) The plan must include a component that evaluates future
21 federal funding opportunities for all modes of transportation and
22 identifies actions necessary to maximize the total amount of
23 federal funds received in the future for transportation
24 improvements in this state.

25 SECTION 2.03. Subchapter H, Chapter 201, Transportation
26 Code, is amended by adding Section 201.622 to read as follows:

27 Sec. 201.622. COOPERATION WITH LOCAL PLANNING ENTITIES TO

1 MAXIMIZE FEDERAL FUNDING FOR PROJECTS. The department shall work
2 and plan with local transportation planning entities to maximize
3 the amount of federal funding awarded for projects in this state by
4 identifying and pursuing projects that are eligible for federal
5 grant programs, including the scenic byways program.

6 SECTION 2.04. The heading to Chapter 645, Transportation
7 Code, is amended to read as follows:

8 CHAPTER 645. [~~SINGLE STATE~~] REGISTRATION FOR OPERATION IN MULTIPLE
9 STATES

10 SECTION 2.05. Chapter 645, Transportation Code, is amended
11 by adding Section 645.005 to read as follows:

12 Sec. 645.005. UNIFORM HAZARDOUS MATERIALS TRANSPORTATION.
13 The Texas Department of Motor Vehicles by rule shall establish,
14 implement, and administer the terms of the uniform program for
15 hazardous materials transportation registration and permitting
16 developed by the Alliance for Uniform Hazmat Transportation
17 Procedures under 49 U.S.C. Section 5119.

18 ARTICLE 3. FISCAL MATTERS REGARDING MOTOR FUEL TAX

19 SECTION 3.01. Section 162.204, Tax Code, is amended by
20 amending Subsection (a) and adding Subsection (g) to read as
21 follows:

22 (a) The tax imposed by this subchapter does not apply to:

23 (1) diesel fuel sold to the United States for its
24 exclusive use, provided that the exemption does not apply to diesel
25 fuel sold or delivered to a person operating under a contract with
26 the United States;

27 (2) diesel fuel sold to a public school district in

1 this state for the district's exclusive use;

2 (3) diesel fuel sold to a commercial transportation
3 company or a metropolitan rapid transit authority operating under
4 Chapter 451, Transportation Code, that provides public school
5 transportation services to a school district under Section 34.008,
6 Education Code, and that uses the diesel fuel only to provide those
7 services;

8 (4) diesel fuel exported by either a licensed supplier
9 or a licensed exporter from this state to any other state, provided
10 that:

11 (A) for diesel fuel in a situation described by
12 Subsection (d), the bill of lading indicates the destination state
13 and the supplier collects the destination state tax; or

14 (B) for diesel fuel in a situation described by
15 Subsection (e), the bill of lading indicates the destination state,
16 the diesel fuel is subsequently exported, and the exporter is
17 licensed in the destination state to pay that state's tax and has an
18 exporter's license issued under this subchapter;

19 (5) diesel fuel moved by truck or railcar between
20 licensed suppliers or licensed permissive suppliers and in which
21 the diesel fuel removed from the first terminal comes to rest in the
22 second terminal, provided that the removal from the second terminal
23 rack is subject to the tax imposed by this subchapter;

24 (6) diesel fuel delivered or sold into a storage
25 facility of a licensed aviation fuel dealer from which the diesel
26 fuel will be delivered solely into the fuel supply tanks of aircraft
27 or aircraft servicing equipment, or sold from one licensed aviation

1 fuel dealer to another licensed aviation fuel dealer who will
2 deliver the diesel fuel exclusively into the fuel supply tanks of
3 aircraft or aircraft servicing equipment;

4 (7) diesel fuel exported to a foreign country if the
5 bill of lading indicates the foreign destination and the fuel is
6 actually exported to the foreign country;

7 (8) dyed diesel fuel sold or delivered by a supplier to
8 another supplier and dyed diesel fuel sold or delivered by a
9 supplier or distributor into the bulk storage facility of a dyed
10 diesel fuel bonded user or to a purchaser who provides a signed
11 statement as provided by Section 162.206;

12 (9) the volume of water, fuel ethanol, renewable
13 diesel, biodiesel, or mixtures thereof that are blended together
14 with taxable diesel fuel when the finished product sold or used is
15 clearly identified on the retail pump, storage tank, and sales
16 invoice as a combination of diesel fuel and water, fuel ethanol,
17 renewable diesel, biodiesel, or mixtures thereof;

18 (10) dyed diesel fuel sold by a supplier or permissive
19 supplier to a distributor, or by a distributor to another
20 distributor;

21 (11) dyed diesel fuel delivered by a license holder
22 into the fuel supply tanks of [~~railway engines,~~] motorboats[~~7~~] or
23 refrigeration units or other stationary equipment powered by a
24 separate motor from a separate fuel supply tank;

25 (12) dyed kerosene when delivered by a supplier,
26 distributor, or importer into a storage facility at a retail
27 business from which all deliveries are exclusively for heating,

1 cooking, lighting, or similar nonhighway use;

2 (13) diesel fuel used by a person, other than a
3 political subdivision, who owns, controls, operates, or manages a
4 commercial motor vehicle as defined by Section 548.001,
5 Transportation Code, if the fuel:

6 (A) is delivered exclusively into the fuel supply
7 tank of the commercial motor vehicle; and

8 (B) is used exclusively to transport passengers
9 for compensation or hire between points in this state on a fixed
10 route or schedule; or

11 (14) diesel fuel sold to a volunteer fire department
12 in this state for the department's exclusive use.

13 (g) Notwithstanding any other provision of this chapter, a
14 person may not make a tax-free purchase of dyed diesel fuel for
15 delivery into the fuel supply tank of a railway engine. Sections
16 162.205(b), 162.206, 162.231, 162.233, and 162.403(32) do not apply
17 to a purchase described by this subsection.

18 SECTION 3.02. Section 162.227, Tax Code, is amended by
19 adding Subsection (i) to read as follows:

20 (i) A person who paid tax on diesel fuel delivered into the
21 fuel supply tank of a railway engine may claim a credit or seek a
22 refund with the comptroller if the person uses the diesel fuel to
23 operate the railway engine in another state.

24 SECTION 3.03. Section 162.504, Tax Code, is amended to read
25 as follows:

26 Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) On or
27 before the fifth workday after the end of each month, the

1 comptroller, after making deductions for refund purposes, for the
2 administration and enforcement of this chapter, and for the amounts
3 allocated under Subsection (b) and Section 162.5025, shall allocate
4 the remainder of the taxes collected under Subchapter C as follows:

5 (1) one-fourth of the taxes shall be deposited to the
6 credit of the available school fund; and

7 (2) three-fourths of the taxes shall be deposited to
8 the credit of the state highway fund.

9 (b) On or before the fifth workday after the end of each
10 month, the comptroller, after making deductions for refund
11 purposes, shall allocate taxes collected under Subchapter C on dyed
12 or undyed diesel fuel delivered into the fuel tanks of railway
13 engines to the credit of the Texas rail relocation and improvement
14 fund.

15 ARTICLE 4. FISCAL MATTERS REGARDING PERMIT FEES

16 SECTION 4.01. Subchapter A, Chapter 623, Transportation
17 Code, is amended by adding Section 623.002 to read as follows:

18 Sec. 623.002. EVALUATION OF PERMIT FEES. (a) The
19 department shall evaluate highway use in this state by oversize or
20 overweight vehicles, calculate the cost of damage to highways in
21 this state caused by those vehicles, and determine whether:

22 (1) the fees charged for permits issued under this
23 chapter are adequate to offset the costs of damage to highways
24 caused by those vehicles and recommend any fee adjustments for the
25 permits to reflect the costs of damage to highways caused by those
26 vehicles; and

27 (2) vehicles currently exempt from permit

1 requirements under this chapter should be required to obtain a
2 permit to operate on roads or highways in this state.

3 (b) Not later than October 1 of each even-numbered year, the
4 department shall report its findings to:

5 (1) the Legislative Budget Board; and

6 (2) the governor.

7 SECTION 4.02. Section 623.077, Transportation Code, is
8 amended to read as follows:

9 Sec. 623.077. HIGHWAY MAINTENANCE FEE. (a) An applicant
10 for a permit under this subchapter, other than a permit under
11 Section 623.071(c)(3), must also pay a highway maintenance fee in
12 an amount determined according to vehicle weight and distance
13 traveled. [~~the following table:~~

[Vehicle Weight in Pounds	Fee
[80,001 to 120,000	\$150
[120,001 to 160,000	\$225
[160,001 to 200,000	\$300
[200,001 and above	\$375]

19 (b) The department shall adopt rules to implement this
20 section and establish a schedule of rates, based on miles traveled,
21 for all vehicle weight categories that provides for an increase in
22 the rates according to the weight of a vehicle.

23 (c) The department shall send each fee collected under
24 Subsection (a) to the comptroller for deposit to the credit of the
25 state highway fund.

26 SECTION 4.03. (a) The Texas Department of Transportation
27 shall adopt rules implementing Section 623.077, Transportation

1 Code, as amended by this article, not later than January 1, 2012.

2 (b) Section 623.077(a), Transportation Code, as amended by
3 this article, applies only to an application for a permit submitted
4 under Subchapter D, Chapter 623, Transportation Code, to the Texas
5 Department of Transportation on or after January 1, 2012. An
6 application for a permit submitted before January 1, 2012, is
7 governed by the law in effect on the date the application was
8 submitted, and that law is continued in effect for that purpose.

9 ARTICLE 5. FISCAL MATTERS REGARDING TEXAS DEPARTMENT OF RURAL
10 AFFAIRS

11 SECTION 5.01. The heading to Chapter 487, Government Code,
12 is amended to read as follows:

13 CHAPTER 487. OFFICE [~~TEXAS DEPARTMENT~~] OF RURAL
14 AFFAIRS IN DEPARTMENT OF AGRICULTURE

15 SECTION 5.02. Section 487.001, Government Code, is amended
16 to read as follows:

17 Sec. 487.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the commissioner [~~board of the Texas~~
19 ~~Department of Rural Affairs~~].

20 (2) "Commissioner" means the commissioner of
21 agriculture.

22 (3) "Department" means the office [~~Texas Department of~~
23 ~~Rural Affairs~~].

24 (4) "Office" means the Office of Rural Affairs
25 established within the Department of Agriculture under Section
26 12.038, Agriculture Code.

27 SECTION 5.03. Subchapter A, Chapter 487, Government Code,

1 is amended by adding Section 487.003 to read as follows:

2 Sec. 487.003. REFERENCE IN LAW. (a) A reference in this
3 chapter or other law to the board of the Department of Rural Affairs
4 means the commissioner.

5 (b) A reference in law to the executive director of the
6 Department of Rural Affairs means the director of the Office of
7 Rural Affairs appointed under Section 12.038, Agriculture Code.

8 SECTION 5.04. Section 487.026, Government Code, is amended
9 to read as follows:

10 Sec. 487.026. [~~EXECUTIVE~~] DIRECTOR. (a) The [~~board may~~
11 ~~hire an executive~~] director serves [~~to serve~~] as the chief
12 executive officer of the office [~~department~~] and performs [~~to~~
13 ~~perform~~] the administrative duties of the office [~~department~~].

14 (b) [~~The executive director serves at the will of the board.~~
15 [~~(c)~~] The [~~executive~~] director may hire staff within
16 guidelines established by the commissioner [~~board~~].

17 SECTION 5.05. Section 487.051(a), Government Code, is
18 amended to read as follows:

- 19 (a) The office [~~department~~] shall:
- 20 (1) assist rural communities in the key areas of
21 economic development, community development, rural health, and
22 rural housing;
 - 23 (2) serve as a clearinghouse for information and
24 resources on all state and federal programs affecting rural
25 communities;
 - 26 (3) in consultation with rural community leaders,
27 locally elected officials, state elected and appointed officials,

1 academic and industry experts, and the interagency work group
2 created under this chapter, identify and prioritize policy issues
3 and concerns affecting rural communities in the state;

4 (4) make recommendations to the legislature to address
5 the concerns affecting rural communities identified under
6 Subdivision (3);

7 (5) monitor developments that have a substantial
8 effect on rural Texas communities, especially actions of state
9 government, and compile an annual report describing and evaluating
10 the condition of rural communities;

11 (6) administer the federal community development
12 block grant nonentitlement program;

13 (7) administer programs supporting rural health care
14 as provided by this chapter;

15 (8) perform research to determine the most beneficial
16 and cost-effective ways to improve the welfare of rural
17 communities;

18 (9) ensure that the office [~~department~~] qualifies as
19 the state's office of rural health for the purpose of receiving
20 grants from the Office of Rural Health Policy of the United States
21 Department of Health and Human Services under 42 U.S.C. Section
22 254r;

23 (10) manage the state's Medicare rural hospital
24 flexibility program under 42 U.S.C. Section 1395i-4;

25 (11) seek state and federal money available for
26 economic development in rural areas for programs under this
27 chapter;

1 (12) in conjunction with other offices and divisions
2 of the Department of Agriculture, regularly cross-train office
3 [~~department~~] employees with other employees of the Department of
4 Agriculture regarding the programs administered and services
5 provided [~~by each agency~~] to rural communities; and

6 (13) work with interested persons to assist volunteer
7 fire departments and emergency services districts in rural areas.

8 SECTION 5.06. Section 487.0541(c), Government Code, is
9 amended to read as follows:

10 (c) The work group shall meet at the call of the [~~executive~~]
11 director of the office [~~department~~].

12 SECTION 5.07. Section 487.351(d), Government Code, is
13 amended to read as follows:

14 (d) An applicant for a grant, loan, or award under a
15 community development block grant program may appeal a decision of
16 the [~~executive~~] director by filing an appeal with the commissioner
17 [~~board~~]. The commissioner [~~board~~] shall hold a hearing on the
18 appeal and render a decision.

19 SECTION 5.08. Section 535.051(b), Government Code, is
20 amended to read as follows:

21 (b) The chief administrative officer of each of the
22 following state agencies, in consultation with the governor, shall
23 designate one employee from the agency to serve as a liaison for
24 faith- and community-based organizations:

25 (1) the Office of Rural [~~Community~~] Affairs within the
26 Department of Agriculture;

27 (2) the Texas Commission on Environmental Quality;

- 1 (3) the Texas Department of Criminal Justice;
2 (4) the Texas Department of Housing and Community
3 Affairs;
4 (5) the Texas Education Agency;
5 (6) the Texas Juvenile Probation Commission;
6 (7) the Texas Veterans Commission;
7 (8) the Texas Workforce Commission;
8 (9) the Texas Youth Commission; and
9 (10) other state agencies as determined by the
10 governor.

11 SECTION 5.09. Section 2306.1092(b), Government Code, is
12 amended to read as follows:

13 (b) The council is composed of 16 members consisting of:

- 14 (1) the director;
15 (2) one representative from each of the following
16 agencies, appointed by the head of that agency:

17 (A) the Office of Rural [~~Community~~] Affairs
18 within the Department of Agriculture;

19 (B) the Texas State Affordable Housing
20 Corporation;

21 (C) the Health and Human Services Commission;

22 (D) the Department of Assistive and
23 Rehabilitative Services;

24 (E) the Department of Aging and Disability
25 Services; and

26 (F) the Department of State Health Services;

27 (3) one representative from the Department of

1 Agriculture who is:

2 (A) knowledgeable about the Texans Feeding
3 Texans and Retire in Texas programs or similar programs; and

4 (B) appointed by the head of that agency;

5 (4) one member who is:

6 (A) a member of the Health and Human Services
7 Commission Promoting Independence Advisory Committee; and

8 (B) appointed by the governor; and

9 (5) one representative from each of the following
10 interest groups, appointed by the governor:

11 (A) financial institutions;

12 (B) multifamily housing developers;

13 (C) health services entities;

14 (D) nonprofit organizations that advocate for
15 affordable housing and consumer-directed long-term services and
16 support;

17 (E) consumers of service-enriched housing;

18 (F) advocates for minority issues; and

19 (G) rural communities.

20 SECTION 5.10. Sections 487.002, 487.021, 487.022, 487.023,
21 487.024, 487.025, 487.028, 487.029, 487.051(b), 487.058, and
22 487.352, Government Code, are repealed.

23 SECTION 5.11. (a) The Texas Department of Rural Affairs is
24 abolished as an independent agency and transferred as a program to
25 the Office of Rural Affairs in the Department of Agriculture. The
26 board of the Texas Department of Rural Affairs is abolished.

27 (b) The validity of an action taken by the Texas Department

1 of Rural Affairs or its board before either is abolished under
2 Subsection (a) of this section is not affected by the abolishment.

3 SECTION 5.12. On September 1, 2011:

4 (1) the position of executive director of the Texas
5 Department of Rural Affairs is abolished, except that the director
6 of the Office of Rural Affairs in the Department of Agriculture may
7 hire the executive director for a position in the office;

8 (2) an employee of the Texas Department of Rural
9 Affairs becomes an employee of the Office of Rural Affairs in the
10 Department of Agriculture;

11 (3) a reference in law to the Texas Department of Rural
12 Affairs means the Office of Rural Affairs in the Department of
13 Agriculture;

14 (4) all money, contracts, leases, rights, and
15 obligations of the Texas Department of Rural Affairs are
16 transferred to the Office of Rural Affairs in the Department of
17 Agriculture;

18 (5) all property, including records, in the custody of
19 the Texas Department of Rural Affairs becomes the property of the
20 Office of Rural Affairs in the Department of Agriculture; and

21 (6) all funds appropriated by the legislature to the
22 Texas Department of Rural Affairs are transferred to the Office of
23 Rural Affairs in the Department of Agriculture.

24 SECTION 5.13. A function or activity performed by the Texas
25 Department of Rural Affairs is transferred to the Office of Rural
26 Affairs in the Department of Agriculture as provided by this
27 article.

1 SECTION 5.14. The Texas Department of Rural Affairs and the
2 Department of Agriculture shall establish a transition plan for the
3 transfer described in Sections 5.11 and 5.12 of this article.

4 ARTICLE 6. EFFECTIVE DATE

5 SECTION 6.01. This Act takes effect September 1, 2011.