

AN ACT

relating to transportation funding, expenditures, and finance and the preservation of a sufficient balance in the economic stabilization fund; making an appropriation.

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

SECTION 1. Section 55.002, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) The commission may use money from the Texas Mobility Fund to provide funding, including through a loan, for a port security project, a port transportation project, or a project eligible for funding under Subsection (c).

SECTION 2. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.0031 to read as follows:

Sec. 222.0031. REQUIRED REPAYMENT OF BONDS. (a) On or before August 31, 2015, the department shall identify and implement savings and efficiencies that result in a total savings of at least \$100 million in funds appropriated to the department for the state fiscal biennium ending August 31, 2015. The amount saved is appropriated for the state fiscal biennium ending August 31, 2015, to the department from the source from which the money was originally appropriated for the purpose of reducing the principal of and interest on bonds and other public securities issued, and bond enhancement agreements entered into, by the commission as authorized by Section 49-n, Article III, Texas Constitution, as

1 proposed by H.J.R. 28, 78th Legislature, Regular Session, 2003.

2 (b) To make payments required under Subsection (a), the
3 department:

4 (1) shall maximize the use of all amounts appropriated
5 to the department;

6 (2) may use savings realized through operational
7 efficiencies, cost reductions, and cost savings; and

8 (3) may not reduce the amount of funding available for
9 transportation projects.

10 (c) Not later than August 31, 2015, the department shall
11 report in writing to the legislature on the implementation of this
12 section.

13 (d) This section expires September 1, 2015.

14 SECTION 3. Chapter 316, Government Code, is amended by
15 adding Subchapter H to read as follows:

16 SUBCHAPTER H. PRESERVATION OF SUFFICIENT BALANCE IN
17 ECONOMIC STABILIZATION FUND

18 Sec. 316.091. DEFINITION. In this subchapter, "fund" means
19 the economic stabilization fund.

20 Sec. 316.092. DETERMINATION OF SUFFICIENT FUND BALANCE.

21 (a) Not later than September 1 of each even-numbered year preceding
22 the year in which this section expires as provided by Subsection
23 (e), the speaker of the house of representatives and the lieutenant
24 governor shall appoint a select committee as follows:

25 (1) the speaker of the house of representatives shall
26 appoint five members of the house of representatives as members of
27 the committee; and

1 (2) the lieutenant governor shall appoint five members
2 of the senate as members of the committee.

3 (b) For the purposes of Section 49-g(c-2), Article III,
4 Texas Constitution, not later than December 1 of each even-numbered
5 year preceding the year in which this section expires as provided by
6 Subsection (e), the select committee shall determine and adopt for
7 the next state fiscal biennium a sufficient balance of the fund in
8 an amount that the committee estimates will ensure an appropriate
9 amount of revenue available in the fund. In determining the
10 sufficient balance for that fiscal biennium, the committee shall
11 consider:

12 (1) the history of fund balances;

13 (2) the history of transfers to the fund;

14 (3) estimated fund balances during that fiscal
15 biennium;

16 (4) estimated transfers to the fund to occur during
17 that fiscal biennium;

18 (5) information available to the committee regarding
19 state highway congestion and funding demands; and

20 (6) any other information requested by the committee
21 regarding the state's financial condition.

22 (c) On or before October 1 of each even-numbered year
23 preceding the year in which this section expires as provided by
24 Subsection (e), the comptroller shall provide to the select
25 committee the comptroller's projection of the amounts to be
26 transferred to the fund during the next state fiscal biennium.

27 (d) When the select committee has adopted under Subsection

1 (b) the amount of the sufficient balance of the fund for a state
2 fiscal biennium, the matter of approving that amount shall be
3 presented to each house of the legislature in a concurrent
4 resolution during the next succeeding regular legislative session.
5 The resolution must be presented for a vote in each house of the
6 legislature not later than the 30th day of that legislative
7 session, must be approved by a vote of a majority of the members of
8 each house, and must be finally approved by each house not later
9 than the 45th day of that legislative session. If a resolution
10 finally approved under this subsection is amended during the
11 legislative process to provide for a different sufficient balance
12 of the fund than that adopted under Subsection (b), that different
13 balance is the sufficient balance adopted under this section for
14 purposes of Section 316.093. If a resolution finally approved
15 under this subsection does not provide for a different sufficient
16 balance of the fund or if a resolution is not finally approved as
17 provided by this subsection, the sufficient balance adopted under
18 Subsection (b) is the sufficient balance adopted under this section
19 for purposes of Section 316.093.

20 (e) This section expires December 31, 2024.

21 Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO
22 FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes
23 transfers for a state fiscal year in accordance with Section
24 49-g(c), Article III, Texas Constitution, the comptroller shall
25 determine whether the sum of the balance of the fund on the
26 preceding August 31, any projected transfer to the fund under
27 Section 49-g(b) of that article, and any projected transfer to the

1 fund under Section 49-g(c) of that article in accordance with the
2 allocations for the transfer as provided by Section 49-g(c-1) of
3 that article is less than the sufficient balance adopted under
4 Section 316.092.

5 (b) If the sum described by Subsection (a) is less than the
6 sufficient balance adopted under Section 316.092, the comptroller
7 shall reduce the allocation to the state highway fund provided by
8 Section 49-g(c), Article III, Texas Constitution, and increase the
9 allocation to the economic stabilization fund, in an equal amount,
10 until the sufficient balance adopted under Section 316.092 is
11 achieved.

12 (c) If under Section 316.092 a sufficient balance has not
13 been adopted for the comptroller to consider under this section,
14 the comptroller shall adjust the allocation of amounts to be
15 transferred to the fund and to the state highway fund provided by
16 Section 49-g(c), Article III, Texas Constitution, so that the total
17 of those amounts is transferred to the economic stabilization fund,
18 except that the comptroller shall reduce a transfer made under this
19 subsection as necessary to prevent the amount in the fund from
20 exceeding the limit in effect for that biennium under Section
21 49-g(g) of that article.

22 (d) As soon as practicable after the effective date of this
23 section, the speaker of the house of representatives and the
24 lieutenant governor shall appoint a select committee in the manner
25 required by Section 316.092(a), and that committee shall determine
26 and adopt a sufficient balance of the fund applicable to the
27 transfers to be made under Section 49-g(c), Article III, Texas

1 Constitution, for the state fiscal year beginning September 1,
2 2014, and a sufficient balance of the fund applicable to the
3 transfers to be made under that subsection for the next fiscal
4 biennium. The comptroller may not make the transfers required
5 under Section 49-g of that article for the state fiscal year
6 beginning September 1, 2014, until the committee has adopted a
7 sufficient balance under this subsection. The process described by
8 Section 316.092(d) does not apply to those transfers. However, if
9 the committee has not adopted the balance before the 30th day after
10 the effective date of this section, the comptroller shall make that
11 transfer on the 30th day after the effective date of this section in
12 accordance with Subsection (c). This subsection expires September
13 1, 2015.

14 (e) For the purposes of Section 49-g(c-2), Article III,
15 Texas Constitution, the comptroller shall adjust the allocation
16 provided by Section 49-g(c-1) of that article of amounts to be
17 transferred to the fund and to the state highway fund under Section
18 49-g(c) of that article in a state fiscal year beginning on or after
19 September 1, 2025, so that the total of those amounts is transferred
20 to the economic stabilization fund, except that the comptroller
21 shall reduce a transfer made under this subsection as necessary to
22 prevent the amount in the fund from exceeding the limit in effect
23 for that biennium under Section 49-g(g) of that article.

24 (f) Subsections (a), (b), and (c) and this subsection expire
25 December 31, 2024.

26 Sec. 316.094. ALLOCATION OF CERTAIN AMOUNTS TRANSFERRED TO
27 STATE HIGHWAY FUND. Amounts transferred to the state highway fund

1 under Section 49-g(c), Article III, Texas Constitution, when
2 appropriated, must be used and allocated throughout the state by
3 the Texas Department of Transportation consistent with existing
4 formulas adopted by the Texas Transportation Commission.

5 SECTION 4. (a) The speaker of the house of representatives
6 shall appoint nine members to a House Select Committee on
7 Transportation Funding, Expenditures, and Finance and designate
8 one member as chair. The lieutenant governor shall appoint nine
9 members to a Senate Select Committee on Transportation Funding,
10 Expenditures, and Finance and designate one member as chair. The
11 speaker and lieutenant governor shall make the appointments not
12 later than November 30, 2013.

13 (b) The committees established under this section may meet
14 separately at the call of the chair of the committee or jointly at
15 the call of both chairs. In joint meetings, the chairs shall act as
16 joint chairs.

17 (c) The committees established under this section, meeting
18 separately or jointly, shall review, study, and evaluate:

19 (1) the future reliability of all current state
20 transportation funding sources;

21 (2) alternatives that may increase available state
22 funding for surface transportation, including an examination of
23 increases to current surface-transportation-related funding
24 streams and possible diversions of
25 non-surface-transportation-related funding streams toward surface
26 transportation funding;

27 (3) the use of debt financing in state transportation

1 funding, including the uses of the Texas Mobility Fund, and the
2 effects on long-term transportation planning of using debt
3 financing;

4 (4) alternative transportation funding options in use
5 nationally and internationally;

6 (5) current and historic appropriations to the Texas
7 Department of Transportation, including:

8 (A) whether that agency's budget structure best
9 maximizes the application of limited public funds toward highway
10 maintenance and construction;

11 (B) whether there are opportunities to reduce the
12 use of money from the state highway fund by that agency for
13 activities not related to highway maintenance and construction,
14 including such uses as employee salaries and benefits; and

15 (C) possible benefits of developing a budget for
16 that agency for the 2016-2017 state fiscal biennium using
17 zero-based budgeting principles;

18 (6) the uses of the state highway fund for agencies
19 other than the Texas Department of Transportation, including and
20 emphasizing the use of that fund for the Department of Public Safety
21 of the State of Texas; and

22 (7) the original purpose of the economic stabilization
23 fund established by Section 49-g, Article III, Texas Constitution,
24 whether that purpose remains relevant, and whether it remains
25 appropriate to continue using the net amount of oil and gas
26 production taxes received in the 1987 state fiscal year as the basis
27 for making general revenue transfers to the economic stabilization

1 fund.

2 (d) Following consideration of the factors described by
3 Subsection (c) of this section, the committees established under
4 this section shall jointly adopt recommendations related to the
5 reviewed subjects and shall provide a written report of the
6 committees' recommendations on the reviewed subjects to the
7 legislature not later than November 1, 2014.

8 (e) The committees established under this section may
9 exercise any power of a committee of their respective chambers and
10 any powers of a joint committee. For the purposes of this section,
11 the committees established under this section are considered a
12 joint committee and the cost of operation of each committee may be
13 borne in the same manner as the cost of a joint committee. The Texas
14 Legislative Council may provide funding for the operations of the
15 committees. To the extent not inconsistent with this section, the
16 joint rules adopted by the 83rd Legislature for the administration
17 of joint interim legislative study committees apply to the
18 committees established under this section.

19 (f) This section expires January 13, 2015.

20 SECTION 5. This Act takes effect immediately on the final
21 canvass of the election on the constitutional amendment proposed by
22 S.J.R. No. 1, 83rd Legislature, 3rd Called Session, 2013, but only
23 if that amendment is approved by the voters. If that amendment is
24 not approved by the voters, this Act has no effect.

President of the Senate

Speaker of the House

I certify that H.B. No. 1 was passed by the House on August 5, 2013, by the following vote: Yeas 129, Nays 1, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1 on August 5, 2013, by the following vote: Yeas 124, Nays 2, 1 present, not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Chief Clerk of the House

I certify that H.B. No. 1 was passed by the Senate, with amendments, on August 5, 2013, by the following vote: Yeas 26, Nays 1; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Secretary of the Senate

H.B. No. 1

I certify that the amounts appropriated in the herein H.B. No. 1, 3rd Called Session of the 83rd Legislature, are within amounts estimated to be available in the affected fund.

Certified _____

Comptroller of Public Accounts

APPROVED: _____

Date

Governor