

By: Pickett

H.B. No. 1

Substitute the following for H.B. No. 1:

By: Phillips

C.S.H.B. No. 1

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to transportation funding, expenditures, and finance and  
3 the preservation of a sufficient balance in the economic  
4 stabilization fund; making an appropriation.

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

6 SECTION 1. Subchapter A, Chapter 222, Transportation Code,  
7 is amended by adding Section 222.0031 to read as follows:

8 Sec. 222.0031. REQUIRED REPAYMENT OF BONDS. (a) On or  
9 before August 31, 2015, the department shall identify and implement  
10 savings and efficiencies that result in a total savings of at least  
11 \$100 million in funds appropriated to the department for the state  
12 fiscal biennium ending August 31, 2015. The amount saved is  
13 appropriated for the state fiscal biennium ending August 31, 2015,  
14 to the department from the source from which the money was  
15 originally appropriated for the purpose of reducing the principal  
16 of and interest on bonds and other public securities issued, and  
17 bond enhancement agreements entered into, by the commission as  
18 authorized by Section 49-n, Article III, Texas Constitution, as  
19 proposed by H.J.R. 28, 78th Legislature, Regular Session, 2003.

20 (b) To make payments required under Subsection (a), the  
21 department:

22 (1) shall maximize the use of all amounts appropriated  
23 to the department;

24 (2) may use savings realized through operational

1 efficiencies, cost reductions, and cost savings; and

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

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

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

8 SECTION 2. (a) Chapter 316, Government Code, is amended by  
9 adding Subchapter H to read as follows:

10 SUBCHAPTER H. PRESERVATION OF SUFFICIENT BALANCE IN  
11 ECONOMIC STABILIZATION FUND

12 Sec. 316.091. DEFINITION. In this subchapter, "fund" means  
13 the economic stabilization fund.

14 Sec. 316.092. DETERMINATION OF SUFFICIENT FUND BALANCE. (a)  
15 Not later than September 1 of each even-numbered year, the speaker  
16 of the house of representatives and the lieutenant governor shall  
17 appoint a select committee as follows:

18 (1) the speaker of the house of representatives shall  
19 appoint five members of the house appropriations committee as  
20 members of the committee; and

21 (2) the lieutenant governor shall appoint five members  
22 of the senate finance committee as members of the committee.

23 (b) For the purposes of Section 49-g(c-2), Article III,  
24 Texas Constitution, not later than December 1 of each even-numbered  
25 year, the select committee shall determine and adopt for the next  
26 state fiscal biennium a sufficient balance of the fund in an amount  
27 that the committee estimates will ensure an appropriate amount of

1 revenue available in the fund. In determining the sufficient  
2 balance for that fiscal biennium, the committee shall consider:

3 (1) the history of fund balances;

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

5 (3) estimated fund balances during that fiscal  
6 biennium;

7 (4) estimated transfers to the fund to occur during  
8 that fiscal biennium;

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

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

13 (c) On or before October 1 of each even-numbered year, the  
14 comptroller shall provide to the select committee the comptroller's  
15 projection of the amounts to be transferred to the fund during the  
16 next state fiscal biennium.

17 (d) The sufficient fund balance adopted by the select  
18 committee under Subsection (b) may be adjusted by filing a  
19 resolution proposing that a different amount be adopted as the  
20 sufficient fund balance. The resolution must be filed not later  
21 than the 30th day of the regular legislative session that begins  
22 after the date the sufficient fund balance is adopted by the  
23 committee, and must be approved by a majority of the members of both  
24 houses of the legislature not later than the 60th day of that  
25 legislative session or the resolution has no effect. If the  
26 resolution is approved as provided by this subsection, the amount  
27 of the sufficient fund balance specified in the resolution is

1 adopted and supersedes the balance adopted by the committee under  
2 Subsection (b).

3 Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO  
4 FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes  
5 transfers for a state fiscal year in accordance with Section  
6 49-g(c), Article III, Texas Constitution, the comptroller shall  
7 determine whether the sum of the balance of the fund on the  
8 preceding August 31, any projected transfer to the fund under  
9 Section 49-g(b) of that article, and any projected transfer to the  
10 fund under Section 49-g(c) of that article in accordance with the  
11 allocations for the transfer as provided by Section 49-g(c-1) of  
12 that article is less than the sufficient balance adopted under  
13 Section 316.092.

14 (b) If the sum described by Subsection (a) is less than the  
15 sufficient balance adopted under Section 316.092, the comptroller  
16 shall reduce the allocation to the state highway fund provided by  
17 Section 49-g(c), Article III, Texas Constitution, and increase the  
18 allocation to the economic stabilization fund, in an equal amount,  
19 until the sufficient balance adopted under Section 316.092 is  
20 achieved.

21 (c) If under Section 316.092 a sufficient balance has not  
22 been adopted for the comptroller to consider under this section,  
23 the comptroller shall adjust the allocation of amounts to be  
24 transferred to the fund and to the state highway fund provided by  
25 Section 49-g(c), Article III, Texas Constitution, so that the total  
26 of those amounts is transferred to the economic stabilization fund,  
27 except that the comptroller shall reduce a transfer made under this

1 subsection as necessary to prevent the amount in the fund from  
2 exceeding the limit in effect for that biennium under Section  
3 49-g(g) of that article.

4 (d) As soon as practicable after the effective date of this  
5 section, the speaker of the house of representatives and the  
6 lieutenant governor shall appoint a select committee in the manner  
7 required by Section 316.092(a), and that committee shall determine  
8 and adopt a sufficient balance of the fund applicable to the  
9 transfers to be made under Section 49-g(c), Article III, Texas  
10 Constitution, for the state fiscal year beginning September 1,  
11 2014, and a sufficient balance of the fund applicable to the  
12 transfers to be made under that subsection for the next fiscal  
13 biennium. The comptroller may not make the transfers required  
14 under Section 49-g of that article for the state fiscal year  
15 beginning September 1, 2014, until the committee has adopted a  
16 sufficient balance under this subsection. However, if the  
17 committee has not adopted the balance before the 30th day after the  
18 effective date of this section, the comptroller shall make that  
19 transfer on the 30th day after the effective date of this section in  
20 accordance with Subsection (c). This subsection expires September  
21 1, 2015.

22 Sec. 316.094. ALLOCATION OF CERTAIN AMOUNTS TRANSFERRED TO  
23 STATE HIGHWAY FUND. (a) Amounts transferred to the state highway  
24 fund under Section 49-g(c), Article III, Texas Constitution, when  
25 appropriated, must be used and allocated throughout the state by  
26 the Texas Department of Transportation consistent with existing  
27 formulas adopted by the Texas Transportation Commission.

1           (b) This section takes effect immediately on the final  
2 canvass of the election on the constitutional amendment proposed by  
3 the 83rd Legislature, 3rd Called Session, 2013, to provide for the  
4 transfer of certain general revenue to the economic stabilization  
5 fund and to the state highway fund and for the dedication of the  
6 revenue transferred to the state highway fund, but only if that  
7 amendment is approved by the voters. If that amendment is not  
8 approved by the voters, this section has no effect.

9           SECTION 3. (a) The speaker of the house of representatives  
10 shall appoint nine members to a House Select Committee on  
11 Transportation Funding, Expenditures, and Finance and designate  
12 one member as chair. The lieutenant governor shall appoint nine  
13 members to a Senate Select Committee on Transportation Funding,  
14 Expenditures, and Finance and designate one member as chair. The  
15 speaker and lieutenant governor shall make the appointments not  
16 later than November 30, 2013.

17           (b) The committees established under this section may meet  
18 separately at the call of the chair of the committee or jointly at  
19 the call of both chairs. In joint meetings, the chairs shall act as  
20 joint chairs.

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

23                   (1) the future reliability of all current state  
24 transportation funding sources;

25                   (2) alternatives that may increase available state  
26 funding for surface transportation, including an examination of  
27 increases to current surface-transportation-related funding

1 streams and possible diversions of  
2 non-surface-transportation-related funding streams toward surface  
3 transportation funding;

4 (3) the use of debt financing in state transportation  
5 funding, including the uses of the Texas Mobility Fund, and the  
6 effects on long-term transportation planning of using debt  
7 financing;

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

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

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

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

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

22 (6) the uses of the state highway fund for agencies  
23 other than the Texas Department of Transportation, including and  
24 emphasizing the use of that fund for the Department of Public Safety  
25 of the State of Texas; and

26 (7) the original purpose of the economic stabilization  
27 fund established by Section 49-g, Article III, Texas Constitution,

1 whether that purpose remains relevant, and whether it remains  
2 appropriate to continue using the net amount of oil and gas  
3 production taxes received in the 1987 state fiscal year as the basis  
4 for making general revenue transfers to the economic stabilization  
5 fund.

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

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

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

24 SECTION 4. Except as otherwise provided by this Act:

25 (1) this Act takes effect immediately if it receives a  
26 vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution; and



1                   (2) if this Act does not receive the vote necessary for  
2 immediate effect, this Act takes effect on the 91st day after the  
3 last day of the legislative session.