

AN ACT

relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones.

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

SECTION 1. Subchapter E, Chapter 222, Transportation Code, is amended by adding Sections 222.1071 and 222.1072 to read as follows:

Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES. (a) A county shall determine the amount of the tax increment for a county energy transportation reinvestment zone in the same manner the county would determine the tax increment as provided in Section 222.107(a) for a county transportation reinvestment zone.

(b) A county, after determining that an area is affected by oil and gas exploration and production activities, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more specified transportation projects located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone in conjunction with another county or counties, as provided by Subsection (o).

1 (c) A commissioners court must comply with all applicable
2 laws in the application of this chapter.

3 (d) Not later than the 30th day before the date a
4 commissioners court proposes to designate an area as a county
5 energy transportation reinvestment zone under this section, the
6 commissioners court must hold a public hearing on the creation of
7 the zone and its benefits to the county and to property in the
8 proposed zone. At the hearing an interested person may speak for or
9 against the designation of the zone, its boundaries, the joint
10 administration of a zone in another county, or the use of tax
11 increment paid into the tax increment account.

12 (e) Not later than the seventh day before the date of the
13 hearing, notice of the hearing and the intent to create a zone must
14 be published in a newspaper having general circulation in the
15 county.

16 (f) The order or resolution designating an area as a county
17 energy transportation reinvestment zone must:

18 (1) describe the boundaries of the zone with
19 sufficient definiteness to identify with ordinary and reasonable
20 certainty the territory included in the zone;

21 (2) provide that the zone takes effect immediately on
22 adoption of the order or resolution and that the base year shall be
23 the year of passage of the order or resolution or some year in the
24 future;

25 (3) assign a name to the zone for identification, with
26 the first zone designated by a county designated as "County Energy
27 Transportation Reinvestment Zone Number One, (name of county)," and

1 subsequently designated zones assigned names in the same form
2 numbered consecutively in the order of their designation;

3 (4) establish an ad valorem tax increment account for
4 the zone or provide for the establishment of a joint ad valorem tax
5 increment account, if applicable; and

6 (5) name the advisory board for the zone or the
7 county's members on a joint advisory board, as applicable, as
8 provided by Section 222.1072.

9 (g) Compliance with the requirements of this section
10 constitutes designation of an area as a county energy
11 transportation reinvestment zone without further hearings or other
12 procedural requirements.

13 (h) The county may, from taxes collected on property in a
14 zone, pay into a tax increment account for the zone or zones an
15 amount equal to the tax increment produced by the county less any
16 amounts allocated under previous agreements, including agreements
17 under Section 381.004, Local Government Code, or Chapter 312, Tax
18 Code.

19 (i) Tax increment paid into a tax increment account may not
20 be pledged as security for bonded indebtedness.

21 (j) The commissioners court may pledge money in the tax
22 increment account:

23 (1) to provide funding for one or more specified
24 transportation projects located in the zone; and

25 (2) to a road utility district formed as provided by
26 Subsection (k).

27 (k) In the alternative, to assist the county in developing a

1 transportation project, if authorized by the commission under
2 Chapter 441, a road utility district may be formed under that
3 chapter that has the same boundaries as a county energy
4 transportation reinvestment zone created under this section. The
5 road utility district may issue bonds to pay all or part of the cost
6 of a transportation project and may pledge and assign all or a
7 specified amount of money in the tax increment account to secure
8 those bonds if the county:

9 (1) collects a tax increment; and

10 (2) pledges all or a specified amount of the tax
11 increment to the road utility district.

12 (l) A road utility district formed as provided by Subsection
13 (k) may enter into an agreement to fund development of a project or
14 to repay funds owed to the department. Any amount paid for this
15 purpose is considered to be an operating expense of the
16 district. Any taxes collected by the district that are not paid
17 for this purpose may be used for any district purpose.

18 (m) To accommodate changes in the limits of the project for
19 which a zone was designated, the boundaries of a zone may be amended
20 at any time, except that property may not be added to a zone unless
21 the commissioners court of the county complies with Subsections
22 (d), (e), and (f).

23 (n) A county energy transportation reinvestment zone
24 terminates on December 31 of the 10th year after the year the zone
25 was designated, if before that date the county has not used the zone
26 for the purpose for which it was designated.

27 (o) The commissioners courts of two or more counties that

1 have designated a county energy transportation reinvestment zone
2 under this section for the same transportation project or projects
3 may enter into an agreement to provide for the joint administration
4 of the zones.

5 (p) The commissioners court of a county may enter into an
6 agreement with the department to designate a county energy
7 transportation reinvestment zone under this section for a specified
8 transportation project involving a state highway located in the
9 proposed zone.

10 Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY
11 TRANSPORTATION REINVESTMENT ZONE. (a) Except as provided by
12 Subsection (b), the advisory board of a county energy
13 transportation reinvestment zone consists of the following members
14 appointed by the county judge and approved by the county
15 commissioners court:

16 (1) three oil and gas company representatives who
17 perform company activities in the county and are local taxpayers;
18 and

19 (2) two public members who are active in civic
20 affairs.

21 (b) County energy transportation reinvestment zones that
22 are jointly administered are advised by a single joint advisory
23 board for the zones. A joint advisory board under this subsection
24 consists of members appointed under Subsection (a) for each zone to
25 be jointly administered.

26 (c) An advisory board member may not receive compensation
27 for service on the board or reimbursement for expenses incurred in

1 performing services as a member.

2 SECTION 2. Section 222.110(e), Transportation Code, is
3 amended to read as follows:

4 (e) The sales and use taxes to be deposited into the tax
5 increment account under this section may be disbursed from the
6 account only to:

7 (1) pay for projects authorized under Section 222.104,
8 including the repayment of amounts owed under an agreement entered
9 into under that section; and

10 (2) notwithstanding Sections 321.506 and 323.505, Tax
11 Code, satisfy claims of holders of tax increment bonds, notes, or
12 other obligations issued or incurred for projects authorized under
13 Section 222.104 or 222.1071.

14 SECTION 3. Subchapter A, Chapter 251, Transportation Code,
15 is amended by adding Section 251.018 to read as follows:

16 Sec. 251.018. DONATIONS. (a) A commissioners court may
17 accept donations of labor, money, or other property to aid in the
18 building or maintaining of roads, culverts, or bridges in the
19 county if the commissioners court enters into an agreement of
20 release of liability regarding the donations.

21 (b) A county operating under the county road department
22 system on September 1, 2013, may use the authority granted under
23 this section without holding a new election under Section 252.301.

24 SECTION 4. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 2300 was passed by the House on April 25, 2013, by the following vote: Yeas 134, Nays 2, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2300 was passed by the Senate on May 17, 2013, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor