

1-1 By: Keffer, King of Zavala H.B. No. 2300  
 1-2 (Senate Sponsor - Uresti)  
 1-3 (In the Senate - Received from the House April 29, 2013;  
 1-4 May 2, 2013, read first time and referred to Committee on  
 1-5 Transportation; May 15, 2013, reported favorably by the following  
 1-6 vote: Yeas 8, Nays 0; May 15, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			

1-18 A BILL TO BE ENTITLED  
 1-19 AN ACT

1-20 relating to funding and donations for county transportation  
 1-21 projects, including projects of county energy transportation  
 1-22 reinvestment zones.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter E, Chapter 222, Transportation Code,  
 1-25 is amended by adding Sections 222.1071 and 222.1072 to read as  
 1-26 follows:

1-27 Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT  
 1-28 ZONES. (a) A county shall determine the amount of the tax  
 1-29 increment for a county energy transportation reinvestment zone in  
 1-30 the same manner the county would determine the tax increment as  
 1-31 provided in Section 222.107(a) for a county transportation  
 1-32 reinvestment zone.

1-33 (b) A county, after determining that an area is affected by  
 1-34 oil and gas exploration and production activities, by order or  
 1-35 resolution of the commissioners court:

1-36 (1) may designate a contiguous geographic area in the  
 1-37 jurisdiction of the county to be a county energy transportation  
 1-38 reinvestment zone to promote one or more specified transportation  
 1-39 projects located in the zone; and

1-40 (2) may jointly administer a county energy  
 1-41 transportation reinvestment zone in conjunction with another  
 1-42 county or counties, as provided by Subsection (o).

1-43 (c) A commissioners court must comply with all applicable  
 1-44 laws in the application of this chapter.

1-45 (d) Not later than the 30th day before the date a  
 1-46 commissioners court proposes to designate an area as a county  
 1-47 energy transportation reinvestment zone under this section, the  
 1-48 commissioners court must hold a public hearing on the creation of  
 1-49 the zone and its benefits to the county and to property in the  
 1-50 proposed zone. At the hearing an interested person may speak for or  
 1-51 against the designation of the zone, its boundaries, the joint  
 1-52 administration of a zone in another county, or the use of tax  
 1-53 increment paid into the tax increment account.

1-54 (e) Not later than the seventh day before the date of the  
 1-55 hearing, notice of the hearing and the intent to create a zone must  
 1-56 be published in a newspaper having general circulation in the  
 1-57 county.

1-58 (f) The order or resolution designating an area as a county  
 1-59 energy transportation reinvestment zone must:

1-60 (1) describe the boundaries of the zone with  
 1-61 sufficient definiteness to identify with ordinary and reasonable

2-1 certainty the territory included in the zone;  
2-2 (2) provide that the zone takes effect immediately on  
2-3 adoption of the order or resolution and that the base year shall be  
2-4 the year of passage of the order or resolution or some year in the  
2-5 future;  
2-6 (3) assign a name to the zone for identification, with  
2-7 the first zone designated by a county designated as "County Energy  
2-8 Transportation Reinvestment Zone Number One, (name of county)," and  
2-9 subsequently designated zones assigned names in the same form  
2-10 numbered consecutively in the order of their designation;  
2-11 (4) establish an ad valorem tax increment account for  
2-12 the zone or provide for the establishment of a joint ad valorem tax  
2-13 increment account, if applicable; and  
2-14 (5) name the advisory board for the zone or the  
2-15 county's members on a joint advisory board, as applicable, as  
2-16 provided by Section 222.1072.  
2-17 (g) Compliance with the requirements of this section  
2-18 constitutes designation of an area as a county energy  
2-19 transportation reinvestment zone without further hearings or other  
2-20 procedural requirements.  
2-21 (h) The county may, from taxes collected on property in a  
2-22 zone, pay into a tax increment account for the zone or zones an  
2-23 amount equal to the tax increment produced by the county less any  
2-24 amounts allocated under previous agreements, including agreements  
2-25 under Section 381.004, Local Government Code, or Chapter 312, Tax  
2-26 Code.  
2-27 (i) Tax increment paid into a tax increment account may not  
2-28 be pledged as security for bonded indebtedness.  
2-29 (j) The commissioners court may pledge money in the tax  
2-30 increment account:  
2-31 (1) to provide funding for one or more specified  
2-32 transportation projects located in the zone; and  
2-33 (2) to a road utility district formed as provided by  
2-34 Subsection (k).  
2-35 (k) In the alternative, to assist the county in developing a  
2-36 transportation project, if authorized by the commission under  
2-37 Chapter 441, a road utility district may be formed under that  
2-38 chapter that has the same boundaries as a county energy  
2-39 transportation reinvestment zone created under this section. The  
2-40 road utility district may issue bonds to pay all or part of the cost  
2-41 of a transportation project and may pledge and assign all or a  
2-42 specified amount of money in the tax increment account to secure  
2-43 those bonds if the county:  
2-44 (1) collects a tax increment; and  
2-45 (2) pledges all or a specified amount of the tax  
2-46 increment to the road utility district.  
2-47 (l) A road utility district formed as provided by Subsection  
2-48 (k) may enter into an agreement to fund development of a project or  
2-49 to repay funds owed to the department. Any amount paid for this  
2-50 purpose is considered to be an operating expense of the  
2-51 district. Any taxes collected by the district that are not paid  
2-52 for this purpose may be used for any district purpose.  
2-53 (m) To accommodate changes in the limits of the project for  
2-54 which a zone was designated, the boundaries of a zone may be amended  
2-55 at any time, except that property may not be added to a zone unless  
2-56 the commissioners court of the county complies with Subsections  
2-57 (d), (e), and (f).  
2-58 (n) A county energy transportation reinvestment zone  
2-59 terminates on December 31 of the 10th year after the year the zone  
2-60 was designated, if before that date the county has not used the zone  
2-61 for the purpose for which it was designated.  
2-62 (o) The commissioners courts of two or more counties that  
2-63 have designated a county energy transportation reinvestment zone  
2-64 under this section for the same transportation project or projects  
2-65 may enter into an agreement to provide for the joint administration  
2-66 of the zones.  
2-67 (p) The commissioners court of a county may enter into an  
2-68 agreement with the department to designate a county energy  
2-69 transportation reinvestment zone under this section for a specified

3-1 transportation project involving a state highway located in the  
3-2 proposed zone.

3-3 Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY  
3-4 TRANSPORTATION REINVESTMENT ZONE. (a) Except as provided by  
3-5 Subsection (b), the advisory board of a county energy  
3-6 transportation reinvestment zone consists of the following members  
3-7 appointed by the county judge and approved by the county  
3-8 commissioners court:

3-9 (1) three oil and gas company representatives who  
3-10 perform company activities in the county and are local taxpayers;  
3-11 and

3-12 (2) two public members who are active in civic  
3-13 affairs.

3-14 (b) County energy transportation reinvestment zones that  
3-15 are jointly administered are advised by a single joint advisory  
3-16 board for the zones. A joint advisory board under this subsection  
3-17 consists of members appointed under Subsection (a) for each zone to  
3-18 be jointly administered.

3-19 (c) An advisory board member may not receive compensation  
3-20 for service on the board or reimbursement for expenses incurred in  
3-21 performing services as a member.

3-22 SECTION 2. Section 222.110(e), Transportation Code, is  
3-23 amended to read as follows:

3-24 (e) The sales and use taxes to be deposited into the tax  
3-25 increment account under this section may be disbursed from the  
3-26 account only to:

3-27 (1) pay for projects authorized under Section 222.104,  
3-28 including the repayment of amounts owed under an agreement entered  
3-29 into under that section; and

3-30 (2) notwithstanding Sections 321.506 and 323.505, Tax  
3-31 Code, satisfy claims of holders of tax increment bonds, notes, or  
3-32 other obligations issued or incurred for projects authorized under  
3-33 Section 222.104 or 222.1071.

3-34 SECTION 3. Subchapter A, Chapter 251, Transportation Code,  
3-35 is amended by adding Section 251.018 to read as follows:

3-36 Sec. 251.018. DONATIONS. (a) A commissioners court may  
3-37 accept donations of labor, money, or other property to aid in the  
3-38 building or maintaining of roads, culverts, or bridges in the  
3-39 county if the commissioners court enters into an agreement of  
3-40 release of liability regarding the donations.

3-41 (b) A county operating under the county road department  
3-42 system on September 1, 2013, may use the authority granted under  
3-43 this section without holding a new election under Section 252.301.

3-44 SECTION 4. This Act takes effect September 1, 2013.

3-45 \* \* \* \* \*