

By: Guillen

H.B. No. 2680

A BILL TO BE ENTITLED

AN ACT

relating to state financing for certain transportation projects.

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

SECTION 1. Subchapter C, Chapter 222, Transportation Code, is amended by adding Section 222.054 to read as follows:

Sec. 222.054. LOCAL PARTICIPATION: PROJECT ANALYSIS. (a) Before the department agrees to provide financing to a political subdivision for a highway or road project, the department shall use private sector engineering-related services, as described by Section 223.041(a), to conduct an independent analysis of the project, including an evaluation of whether the project is suitable for any financing mechanism or structure that would:

(1) decrease the amount of financing provided by the department to the local authority; or

(2) increase the revenue return of the project, if any, used to pay the debt service on an annual basis.

(b) If the project is eligible for a financing mechanism or structure that meets a purpose described by Subsection (a), the department shall require the political subdivision to adopt the financing mechanism or structure as a condition of the department agreeing to provide financing to the political subdivision.

(c) The department by rule shall develop programs to educate local transportation planning entities about financing mechanisms and structures available to political subdivisions for highway or

road projects, including:

(1) economically driven mobility projects eligible for financing under Section 222.078;

(2) pass-through tolls under Section 222.104; and

(3) transportation reinvestment zones under Sections 222.106 and 222.107.

SECTION 2. Subchapter D, Chapter 222, Transportation Code, is amended by adding Section 222.078 to read as follows:

Sec. 222.078. ECONOMICALLY DRIVEN MOBILITY PROJECT SUBACCOUNT. (a) The economically driven mobility project subaccount is a subaccount in the bank. The subaccount consists of revenue received from projects financed under this section and proceeds from obligations secured by revenue received from those projects. Money in the subaccount may be used only to finance projects selected as economically driven using the process and criteria developed under this section.

(b) The department by rule shall develop a process and criteria for project selection using established economic principles for evaluating projects. Project selection criteria must prioritize projects that:

(1) promote economic development, including by creating employment and cash flow;

(2) have sustainable economic value;

(3) create transportation corridors as opposed to isolated projects; and

(4) have a reliable source of local financial participation.

1        (c) To be eligible for financing under this section, a  
2 project must have a source of financial participation from one or  
3 more local governments in whose boundaries the project will be  
4 located.

5        (d) The department shall develop a project application  
6 process for local transportation planning entities to identify  
7 projects suitable for funding under this section.

8        (e) The department may contract with local governments or  
9 private entities for the construction of selected projects,  
10 including construction through pass-through toll agreements under  
11 Section 222.104, or may construct projects itself.

12        (f) Revenue from projects financed under this section must  
13 be deposited to the credit of the economically driven mobility  
14 project subaccount. The department may contract with local  
15 governments or directly with private entities, including property  
16 owners, who will benefit from a selected project to recover amounts  
17 sufficient to cover the cost of the project and any associated debt  
18 service for the project. Revenue may include:

19                (1) tax increment recovered from a transportation  
20 reinvestment zone; and

21                (2) other revenue derived from the increase of value  
22 attributable to a project financed under this section.

23        SECTION 3. The Texas Department of Transportation shall  
24 establish the process and criteria for the selection of  
25 economically driven mobility projects as required by Section  
26 222.078, Transportation Code, as added by this Act, not later than  
27 September 1, 2014.

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