

Amend CSHB 20 (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter F, Chapter 223, Transportation Code, is amended by adding Section 223.251 to read as follows:

Sec. 223.251. DEPARTMENT PILOT FINANCING PROJECT USING EXPIRING REVENUE ENHANCEMENT. (a) The department shall conduct a study to assess whether the use of revenue described by Subsection (c)(2) to finance a highway project under a design-build contract is feasible.

(b) The department may implement a pilot financing project for a highway project under a design-build contract if, after conducting a study under Subsection (a), the department determines that:

(1) the use of revenue described by Subsection (c)(2) for the highway project is feasible; and

(2) all other funding options available for the highway project will be insufficient to complete the project.

(c) A highway project financed under this section may be financed through:

(1) traditional methods, including the use of money in:

(A) the state highway fund, including money transferred to that fund under Section 49-g, Article III, Texas Constitution, to the extent that the transferred money is used for the highway project's frontage lanes; or

(B) the Texas mobility fund; or

(2) other methods available to the department, including:

(A) the use of bonds;

(B) agreements with other entities for the use of revenue available to the entity; or

(C) an economic impact zone under Subsection (d).

(d) If the department implements a pilot financing project under this section, the department may establish an economic impact zone for an area that extends not more than one mile on either side of the centerline of the highway project. If a zone is created:

(1) the department shall notify the comptroller of the establishment of the zone not later than the 30th day after the date the zone is established;

(2) the comptroller shall:

(A) at the beginning of each calendar year, estimate the increase in state sales tax revenue in the zone during the calendar year over the amount of state sales tax revenue in the zone during the calendar year in which the zone was established;

(B) monthly deposit into a separate account outside the treasury, without the necessity of an appropriation, an amount based on the estimated increase calculated under Paragraph (A); and

(C) at the end of each calendar year:

(i) transfer from the account to the department for the purpose of financing the highway project, an amount necessary to pay the costs of the project as described by Subsection (f), not to exceed the actual increase in state sales tax revenue in the zone during the calendar year over the amount of the state sales tax revenue in the zone during the calendar year in which the zone was established; and

(ii) transfer to the general revenue fund any amounts remaining in the account after the transfer; and

(3) the department shall terminate the zone and the comptroller shall cease making deposits and transfers under Subdivisions (2)(B) and (C) not later than the date specified under Subsection (e).

(e) The authority to use revenue under Subsection (c)(2) expires on the earlier of:

(1) the date all debt and other obligations are retired; or

(2) the 35th anniversary of the date the highway project opens for revenue service.

(f) Revenue described by Subsection (c)(2) may be used only for:

(1) development and construction of the highway project; and

(2) payment of debt incurred for the highway project.

(g) Financing agreements for the highway project must contain provisions to allow the early retirement of debt using money from an economic impact zone under Subsection (d) or money appropriated by the legislature.

(h) The maturity date of any bonds issued for the highway project may not be extended after the bonds are issued, including through the use of refinancing bonds and other refinancing agreements, unless the extension of the maturity date will decrease the total amount of interest to be paid until maturity.