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S.B. No. 1875

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to funding to counties for transportation infrastructure  
3 projects located in areas of the state affected by increased oil and  
4 gas production.

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

6 SECTION 1. Sections 222.1071(b), (f), (i), and (m),  
7 Transportation Code, are amended to read as follows:

8 (b) A county, after determining that an area is affected  
9 because of oil and gas exploration and production activities and  
10 would benefit from funding under Chapter 256, by order or  
11 resolution of the commissioners court:

12 (1) may designate a contiguous geographic area in the  
13 jurisdiction of the county to be a county energy transportation  
14 reinvestment zone to promote one or more transportation  
15 infrastructure projects, as that term is defined by Section  
16 256.101, located in the county [~~zone~~]; and

17 (2) may jointly administer a county energy  
18 transportation reinvestment zone with a contiguous county energy  
19 transportation reinvestment zone formed by another county.

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

22 (1) describe the boundaries of the zone with  
23 sufficient definiteness to identify with ordinary and reasonable  
24 certainty the territory included in the zone;

1           (2) provide that the zone takes effect immediately on  
2 adoption of the order or resolution designating an area and that the  
3 base year shall be the year of passage of the order or resolution  
4 designating an area or some year in the future;

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

8           (4) if two or more counties are designating a zone for  
9 the same transportation infrastructure project or projects,  
10 include a finding that:

11           (A) the project or projects will benefit the  
12 property and residents located in the counties [~~zone~~];

13           (B) the creation of the zone will serve a public  
14 purpose of the county; and

15           (C) details the transportation infrastructure  
16 projects for which each county is responsible.

17           (i) The county may:

18           (1) use money in the tax increment account to provide:

19           (A) matching funds under Section 256.105; and

20           (B) funding for one or more transportation  
21 infrastructure projects located in the county [~~zone~~];

22           (2) apply for grants under Subchapter C, Chapter 256 [~~7~~  
23 ~~subject to Section 222.1072~~];

24           (3) use one [~~five~~] percent of any grant distributed to  
25 the county under Subchapter C, Chapter 256, for the administration  
26 of a county energy transportation reinvestment zone, not to exceed  
27 \$100,000 [~~\$250,000~~];

1           (4) enter into an agreement to provide for the joint  
2 administration of county energy transportation reinvestment zones  
3 if the commissioners court of the county has designated a county  
4 energy transportation reinvestment zone under this section for the  
5 same transportation infrastructure project or projects as another  
6 county commissioners court; and

7           (5) pledge money in the tax increment account to a road  
8 utility district formed as provided by Subsection (n).

9           (m) The commissioners court of a county may enter into an  
10 agreement with the department to designate a county energy  
11 transportation reinvestment zone under this section for a specified  
12 transportation infrastructure project involving a state highway  
13 located in the county [~~proposed zone~~].

14           SECTION 2. Sections [222.1072](#)(a) and (b), Transportation  
15 Code, are amended to read as follows:

16           (a) A county may create [~~is eligible to apply for a grant~~  
17 ~~under Subchapter C, Chapter 256, if the county creates~~] an advisory  
18 board to advise the county on the establishment, administration,  
19 and expenditures of a county energy transportation reinvestment  
20 zone. The county commissioners court shall determine the terms and  
21 duties of the advisory board members.

22           (b) Except as provided by Subsection (c), the advisory board  
23 of a county energy transportation reinvestment zone consists of the  
24 following members appointed by the county judge and approved by the  
25 county commissioners court:

26           (1) up to three oil and gas company representatives  
27 who perform a company activity or related service [~~activities in~~

1 ~~the county and are local taxpayers~~]; and

2 (2) two public members.

3 SECTION 3. Section 251.018, Transportation Code, as added  
4 by Chapter 1372 (S.B. 1747), Acts of the 83rd Legislature, Regular  
5 Session, 2013, is amended to read as follows:

6 Sec. 251.018. ROAD REPORTS. A road condition report made by  
7 a county that is operating under a system of administering county  
8 roads under Chapter 252 or a special law, including a report made  
9 under Section 251.005, must include the primary cause of any road,  
10 culvert, or bridge degradation if reasonably ascertained along with  
11 a brief description of the degradation.

12 SECTION 4. Sections 256.101(3) and (4), Transportation  
13 Code, are amended to read as follows:

14 (3) "Weight tolerance permit" means a permit issued  
15 under Section 623.011 for [~~Chapter 623 authorizing~~] a vehicle  
16 operating specifically in relation to the exploration,  
17 development, or production of oil or gas [~~to exceed maximum legal~~  
18 ~~weight limitations~~].

19 (4) "Well completion" means the completion, reentry,  
20 or recompletion of a vertical or horizontal [~~an~~] oil or gas well.

21 SECTION 5. Section 256.103(b), Transportation Code, is  
22 amended to read as follows:

23 (b) Grants distributed during a fiscal year must be  
24 allocated among counties as follows:

25 (1) 20 percent according to weight tolerance permits,  
26 determined by the ratio of weight tolerance permits issued in the  
27 preceding fiscal year for the county that designated a county

1 energy transportation reinvestment zone to the total number of  
2 weight tolerance permits issued in the state in that fiscal year, as  
3 determined by the Texas Department of Motor Vehicles;

4 (2) 20 percent according to oil and gas production  
5 taxes, determined by the ratio of oil and gas production taxes  
6 collected by the comptroller in the preceding fiscal year in the  
7 county that designated a county energy transportation reinvestment  
8 zone to the total amount of oil and gas production taxes collected  
9 in the state in that fiscal year, as determined by the comptroller;

10 (3) 20 [~~50~~] percent according to vertical well  
11 completions, determined by the ratio of vertical well completions  
12 in the preceding fiscal year in the county that designated a county  
13 energy transportation reinvestment zone to the total number of  
14 vertical well completions in the state in that fiscal year, as  
15 determined by the Railroad Commission of Texas; [~~and~~]

16 (4) 30 percent according to horizontal well  
17 completions, determined by the ratio of horizontal well completions  
18 in the preceding fiscal year in the county that designated a county  
19 energy transportation reinvestment zone to the total number of  
20 horizontal well completions in the state in that fiscal year, as  
21 determined by the Railroad Commission of Texas; and

22 (5) 10 percent according to the total number [~~volume~~]  
23 of oil and gas waste disposal wells as defined by the Railroad  
24 Commission of Texas [~~injected~~], determined by the ratio of the  
25 total number [~~volume~~] of oil and gas waste disposal wells  
26 [~~injected~~] in the last full [~~preceding fiscal~~] year for which the  
27 Railroad Commission of Texas has a report for commercial disposal

1 wells in the county that designated a county energy transportation  
2 reinvestment zone to the total number [~~volume~~] of oil and gas waste  
3 disposal wells [~~injected~~] in the state in that [~~fiscal~~] year, as  
4 determined by the Railroad Commission of Texas.

5 SECTION 6. Section 256.106, Transportation Code, is amended  
6 to read as follows:

7 Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that  
8 makes a second or subsequent application for a grant from the  
9 department under this subchapter must:

10 (1) provide the department with a copy of a report  
11 filed under Section 251.018;

12 (2) certify that all previous grants are being spent  
13 in accordance with the plan submitted under Section 256.104; [~~and~~]

14 (3) provide an update on and brief description of the  
15 status of all uncompleted transportation infrastructure projects;  
16 and

17 (4) provide an accounting of how previous grants were  
18 spent, including any amounts spent on administrative costs.

19 (b) The department may use [~~one-half of~~] one percent of the  
20 amount deposited into the fund in the preceding fiscal year, not to  
21 exceed \$500,000 in a state fiscal biennium, to administer this  
22 subchapter.

23 SECTION 7. This Act takes effect September 1, 2015.