

1-1 By: Uresti S.B. No. 1875
1-2 (In the Senate - Filed March 13, 2015; March 25, 2015, read
1-3 first time and referred to Committee on Transportation;
1-4 April 30, 2015, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 30, 2015,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Nichols</u>	X		
1-10	<u>Huffines</u>	X		
1-11	<u>Ellis</u>	X		
1-12	<u>Fraser</u>	X		
1-13	<u>Garcia</u>	X		
1-14	<u>Hall</u>	X		
1-15	<u>Hancock</u>	X		
1-16	<u>Kolkhorst</u>	X		
1-17	<u>Taylor of Collin</u>	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1875 By: Hancock

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to funding to counties for transportation infrastructure
1-22 projects located in areas of the state affected by increased oil and
1-23 gas production.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Sections 222.1071(b), (f), (i), and (m),
1-26 Transportation Code, are amended to read as follows:

1-27 (b) A county, after determining that an area is affected
1-28 because of oil and gas exploration and production activities and
1-29 would benefit from funding under Chapter 256, by order or
1-30 resolution of the commissioners court:

1-31 (1) may designate a contiguous geographic area in the
1-32 jurisdiction of the county to be a county energy transportation
1-33 reinvestment zone to promote one or more transportation
1-34 infrastructure projects, as that term is defined by Section
1-35 256.101, located in the county [~~zone~~]; and

1-36 (2) may jointly administer a county energy
1-37 transportation reinvestment zone with a contiguous county energy
1-38 transportation reinvestment zone formed by another county.

1-39 (f) The order or resolution designating an area as a county
1-40 energy transportation reinvestment zone must:

1-41 (1) describe the boundaries of the zone with
1-42 sufficient definiteness to identify with ordinary and reasonable
1-43 certainty the territory included in the zone;

1-44 (2) provide that the zone takes effect immediately on
1-45 adoption of the order or resolution designating an area and that the
1-46 base year shall be the year of passage of the order or resolution
1-47 designating an area or some year in the future;

1-48 (3) establish an ad valorem tax increment account for
1-49 the zone or provide for the establishment of a joint ad valorem tax
1-50 increment account, if applicable; and

1-51 (4) if two or more counties are designating a zone for
1-52 the same transportation infrastructure project or projects,
1-53 include a finding that:

1-54 (A) the project or projects will benefit the
1-55 property and residents located in the counties [~~zone~~];

1-56 (B) the creation of the zone will serve a public
1-57 purpose of the county; and

1-58 (C) details the transportation infrastructure
1-59 projects for which each county is responsible.

1-60 (i) The county may:

2-1 (1) use money in the tax increment account to provide:
2-2 (A) matching funds under Section 256.105; and
2-3 (B) funding for one or more transportation
2-4 infrastructure projects located in the county ~~[zone]~~;

2-5 (2) apply for grants under Subchapter C, Chapter 256
2-6 ~~subject to Section 222.1072~~;

2-7 (3) use one ~~[five]~~ percent of any grant distributed to
2-8 the county under Subchapter C, Chapter 256, for the administration
2-9 of a county energy transportation reinvestment zone, not to exceed
2-10 \$100,000 ~~[\$250,000]~~;

2-11 (4) enter into an agreement to provide for the joint
2-12 administration of county energy transportation reinvestment zones
2-13 if the commissioners court of the county has designated a county
2-14 energy transportation reinvestment zone under this section for the
2-15 same transportation infrastructure project or projects as another
2-16 county commissioners court; and

2-17 (5) pledge money in the tax increment account to a road
2-18 utility district formed as provided by Subsection (n).

2-19 (m) The commissioners court of a county may enter into an
2-20 agreement with the department to designate a county energy
2-21 transportation reinvestment zone under this section for a specified
2-22 transportation infrastructure project involving a state highway
2-23 located in the county ~~[proposed zone]~~.

2-24 SECTION 2. Sections 222.1072(a) and (b), Transportation
2-25 Code, are amended to read as follows:

2-26 (a) A county may create ~~[is eligible to apply for a grant
2-27 under Subchapter C, Chapter 256, if the county creates]~~ an advisory
2-28 board to advise the county on the establishment, administration,
2-29 and expenditures of a county energy transportation reinvestment
2-30 zone. The county commissioners court shall determine the terms and
2-31 duties of the advisory board members.

2-32 (b) Except as provided by Subsection (c), the advisory board
2-33 of a county energy transportation reinvestment zone consists of the
2-34 following members appointed by the county judge and approved by the
2-35 county commissioners court:

2-36 (1) up to three oil and gas company representatives
2-37 who perform a company activity or related service ~~[activities in
2-38 the county and are local taxpayers]~~; and

2-39 (2) two public members.

2-40 SECTION 3. Section 251.018, Transportation Code, as added
2-41 by Chapter 1372 (S.B. 1747), Acts of the 83rd Legislature, Regular
2-42 Session, 2013, is amended to read as follows:

2-43 Sec. 251.018. ROAD REPORTS. A road condition report made by
2-44 a county that is operating under a system of administering county
2-45 roads under Chapter 252 or a special law, including a report made
2-46 under Section 251.005, must include the primary cause of any road,
2-47 culvert, or bridge degradation if reasonably ascertained along with
2-48 a brief description of the degradation.

2-49 SECTION 4. Sections 256.101(3) and (4), Transportation
2-50 Code, are amended to read as follows:

2-51 (3) "Weight tolerance permit" means a permit issued
2-52 under Section 623.011 for ~~[Chapter 623 authorizing]~~ a vehicle
2-53 operating specifically in relation to the exploration,
2-54 development, or production of oil or gas ~~[to exceed maximum legal
2-55 weight limitations]~~.

2-56 (4) "Well completion" means the completion, reentry,
2-57 or recompletion of a vertical or horizontal ~~[an]~~ oil or gas well.

2-58 SECTION 5. Section 256.103(b), Transportation Code, is
2-59 amended to read as follows:

2-60 (b) Grants distributed during a fiscal year must be
2-61 allocated among counties as follows:

2-62 (1) 20 percent according to weight tolerance permits,
2-63 determined by the ratio of weight tolerance permits issued in the
2-64 preceding fiscal year for the county that designated a county
2-65 energy transportation reinvestment zone to the total number of
2-66 weight tolerance permits issued in the state in that fiscal year, as
2-67 determined by the Texas Department of Motor Vehicles;

2-68 (2) 20 percent according to oil and gas production
2-69 taxes, determined by the ratio of oil and gas production taxes

3-1 collected by the comptroller in the preceding fiscal year in the
3-2 county that designated a county energy transportation reinvestment
3-3 zone to the total amount of oil and gas production taxes collected
3-4 in the state in that fiscal year, as determined by the comptroller;

3-5 (3) 10 ~~[50]~~ percent according to vertical well
3-6 completions, determined by the ratio of vertical well completions
3-7 in the preceding fiscal year in the county that designated a county
3-8 energy transportation reinvestment zone to the total number of
3-9 vertical well completions in the state in that fiscal year, as
3-10 determined by the Railroad Commission of Texas; ~~and~~

3-11 (4) 40 percent according to horizontal well
3-12 completions, determined by the ratio of horizontal well completions
3-13 in the preceding fiscal year in the county that designated a county
3-14 energy transportation reinvestment zone to the total number of
3-15 horizontal well completions in the state in that fiscal year, as
3-16 determined by the Railroad Commission of Texas; and

3-17 (5) 10 percent according to the total number ~~[volume]~~
3-18 of oil and gas waste disposal wells as defined by the Railroad
3-19 Commission of Texas ~~[injected]~~, determined by the ratio of the
3-20 total number ~~[volume]~~ of oil and gas waste disposal wells
3-21 ~~[injected]~~ in the last full ~~[preceding fiscal]~~ year for which the
3-22 Railroad Commission of Texas has a report for commercial disposal
3-23 wells in the county that designated a county energy transportation
3-24 reinvestment zone to the total number ~~[volume]~~ of oil and gas waste
3-25 disposal wells ~~[injected]~~ in the state in that ~~[fiscal]~~ year, as
3-26 determined by the Railroad Commission of Texas.

3-27 SECTION 6. Section 256.106, Transportation Code, is amended
3-28 to read as follows:

3-29 Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that
3-30 makes a second or subsequent application for a grant from the
3-31 department under this subchapter must:

3-32 (1) provide the department with a copy of a report
3-33 filed under Section 251.018;

3-34 (2) certify that all previous grants are being spent
3-35 in accordance with the plan submitted under Section 256.104; ~~and~~

3-36 (3) provide an update on and brief description of the
3-37 status of all uncompleted transportation infrastructure projects;
3-38 and

3-39 (4) provide an accounting of how previous grants were
3-40 spent, including any amounts spent on administrative costs.

3-41 (b) The department may use ~~[one-half of]~~ one percent of the
3-42 amount deposited into the fund in the preceding fiscal year, not to
3-43 exceed \$500,000 in a state fiscal biennium, to administer this
3-44 subchapter.

3-45 SECTION 7. This Act takes effect September 1, 2015.

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