

By: Nichols

S.B. No. 1305

A BILL TO BE ENTITLED

AN ACT

relating to the abolishment of the transportation infrastructure fund and the grant program using money from the fund.

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

SECTION 1. Sections 222.110(a), (e), and (h), Transportation Code, are amended to read as follows:

(a) In this section, "sales[+]
[(1) "Sales] tax base" for a transportation reinvestment zone means the amount of sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, as applicable, attributable to the zone for the year in which the zone was designated under this chapter.

~~[(2) "Transportation reinvestment zone" includes a county energy transportation reinvestment zone.]~~

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

(1) pay for projects authorized under Section 222.104 or 222.108; and

(2) notwithstanding Sections 321.506 and 323.505, Tax Code, satisfy claims of holders of tax increment bonds, notes, or other obligations issued or incurred for projects authorized under Section 222.104~~[, 222.1071,]~~ or 222.108.

1 (h) The hearing required under Subsection (g) may be held in
2 conjunction with a hearing held under Section 222.106(e) or[~~7~~]
3 222.107(e)[~~7~~ or 222.1071(d)] if the ordinance or order designating
4 an area as a transportation reinvestment zone under Section 222.106
5 or[~~7~~] 222.107[~~7~~ or 222.1071] also designates a sales tax increment
6 under Subsection (b).

7 SECTION 2. Section 256.009(a), Transportation Code, is
8 amended to read as follows:

9 (a) Not later than January 30 of each year, the county
10 auditor or, if the county does not have a county auditor, the
11 official having the duties of the county auditor shall file a report
12 with the comptroller that includes:

13 (1) an account of how[+
14 [~~(A)~~] the money allocated to a county under
15 Section 256.002 during the preceding year was spent; [~~and~~
16 [~~(B)~~ if the county designated a county energy
17 transportation reinvestment zone, money paid into a tax increment
18 account for the zone or from an award under Subchapter C was spent,]

19 (2) a description, including location, of any new
20 roads constructed in whole or in part with the money[+
21 [~~(A)~~] allocated to a county under Section 256.002
22 during the preceding year; [~~and~~
23 [~~(B)~~ paid into a tax increment account for the
24 zone or from an award under Subchapter C if the county designated a
25 county energy transportation reinvestment zone,]

26 (3) any other information related to the
27 administration of Sections 256.002 and 256.003 that the comptroller

1 requires; and

2 (4) the total amount of expenditures for county road
3 and bridge construction, maintenance, rehabilitation, right-of-way
4 acquisition, and utility construction and other appropriate road
5 expenditures of county funds in the preceding county fiscal year
6 that are required by the constitution or other law to be spent on
7 public roads or highways.

8 SECTION 3. The following provisions of the Transportation
9 Code are repealed:

10 (1) Subchapter C, Chapter 256; and

11 (2) Sections 222.1071, 222.1072, and 222.110(i).

12 SECTION 4. (a) On December 31, 2017, the transportation
13 infrastructure fund is abolished and the comptroller of public
14 accounts shall transfer the unencumbered balance of the fund to the
15 state highway fund for use in accordance with legislative
16 appropriation.

17 (b) The abolishment of the transportation infrastructure
18 fund and the repeal of Subchapter C, Chapter 256, Transportation
19 Code, do not affect the validity of any contract or agreement
20 between the Texas Department of Transportation and a county that is
21 entered into under that subchapter before December 31, 2017.

22 SECTION 5. The repeal by this Act of Section 222.1071,
23 Transportation Code, does not affect the validity of bonds issued
24 under that section before the effective date of this Act. Bonds
25 issued before the effective date of this Act are governed by the law
26 in effect when the bonds were issued, and that law is continued in
27 effect for purposes of the validity of those bonds.

1 SECTION 6. The repeal by this Act of Section 222.1071,
2 Transportation Code, does not affect the amount of any tax rate
3 calculation under Chapter 26, Tax Code, for the 2018 tax year or a
4 subsequent tax year pertaining to a county that imposes taxes on
5 property that for the 2017 tax year was located in a county energy
6 transportation reinvestment zone. Under Section 26.03, Tax Code,
7 for the duration of the zone, in any tax rate calculation under
8 Chapter 26 of that code, the portion of the captured appraised value
9 of property located in the zone that corresponded to the tax
10 increment of the county from that property that the county agreed to
11 pay into the tax increment account for the zone was excluded from
12 the value of property taxable by the county, and the portion of the
13 tax increment of the county that the county agreed to pay into the
14 account for the zone was excluded from the amount of taxes imposed
15 or collected by the county. Because beginning with the 2018 tax
16 year both that property value and the taxes corresponding to that
17 property value will be included in the calculation of ad valorem tax
18 rates of the county under Chapter 26, Tax Code, the amounts of those
19 tax rates will be unaffected.

20 SECTION 7. This Act takes effect December 31, 2017.