

1-1 By: Nichols S.B. No. 1305  
 1-2 (In the Senate - Filed March 3, 2017; March 14, 2017, read  
 1-3 first time and referred to Committee on Transportation;  
 1-4 March 23, 2017, reported favorably by the following vote: Yeas 9,  
 1-5 Nays 0; March 23, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the abolishment of the transportation infrastructure  
 1-20 fund and the grant program using money from the fund.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Sections 222.110(a), (e), and (h),  
 1-23 Transportation Code, are amended to read as follows:

1-24 (a) In this section, "sales~~+~~  
 1-25 [~~(1) "Sales~~] tax base" for a transportation  
 1-26 reinvestment zone means the amount of sales and use taxes imposed by  
 1-27 a municipality under Section 321.101(a), Tax Code, or by a county  
 1-28 under Chapter 323, Tax Code, as applicable, attributable to the  
 1-29 zone for the year in which the zone was designated under this  
 1-30 chapter.

1-31 [~~(2) "Transportation reinvestment zone" includes a~~  
 1-32 ~~county energy transportation reinvestment zone.~~]

1-33 (e) The sales and use taxes to be deposited into the tax  
 1-34 increment account under this section may be disbursed from the  
 1-35 account only to:

1-36 (1) pay for projects authorized under Section 222.104  
 1-37 or 222.108; and

1-38 (2) notwithstanding Sections 321.506 and 323.505, Tax  
 1-39 Code, satisfy claims of holders of tax increment bonds, notes, or  
 1-40 other obligations issued or incurred for projects authorized under  
 1-41 Section 222.104~~[, 222.1071,]~~ or 222.108.

1-42 (h) The hearing required under Subsection (g) may be held in  
 1-43 conjunction with a hearing held under Section 222.106(e) or~~[,]~~  
 1-44 222.107(e)~~[, or 222.1071(d)]~~ if the ordinance or order designating  
 1-45 an area as a transportation reinvestment zone under Section 222.106  
 1-46 or~~[,]~~ 222.107~~[, or 222.1071]~~ also designates a sales tax increment  
 1-47 under Subsection (b).

1-48 SECTION 2. Section 256.009(a), Transportation Code, is  
 1-49 amended to read as follows:

1-50 (a) Not later than January 30 of each year, the county  
 1-51 auditor or, if the county does not have a county auditor, the  
 1-52 official having the duties of the county auditor shall file a report  
 1-53 with the comptroller that includes:

1-54 (1) an account of how~~+~~  
 1-55 [~~(A)~~] the money allocated to a county under  
 1-56 Section 256.002 during the preceding year was spent; ~~and~~

1-57 [~~(B) if the county designated a county energy~~  
 1-58 ~~transportation reinvestment zone, money paid into a tax increment~~  
 1-59 ~~account for the zone or from an award under Subchapter C was spent,]~~

1-60 (2) a description, including location, of any new  
 1-61 roads constructed in whole or in part with the money~~+~~

2-1                    [~~(A)~~] allocated to a county under Section 256.002  
2-2 during the preceding year; [~~and~~  
2-3                    [~~(B) paid into a tax increment account for the~~  
2-4 ~~zone or from an award under Subchapter C if the county designated a~~  
2-5 ~~county energy transportation reinvestment zone;]~~

2-6                    (3) any other information related to the  
2-7 administration of Sections 256.002 and 256.003 that the comptroller  
2-8 requires; and

2-9                    (4) the total amount of expenditures for county road  
2-10 and bridge construction, maintenance, rehabilitation, right-of-way  
2-11 acquisition, and utility construction and other appropriate road  
2-12 expenditures of county funds in the preceding county fiscal year  
2-13 that are required by the constitution or other law to be spent on  
2-14 public roads or highways.

2-15                    SECTION 3. The following provisions of the Transportation  
2-16 Code are repealed:

2-17                    (1) Subchapter C, Chapter 256; and

2-18                    (2) Sections 222.1071, 222.1072, and 222.110(i).

2-19                    SECTION 4. (a) On December 31, 2017, the transportation  
2-20 infrastructure fund is abolished and the comptroller of public  
2-21 accounts shall transfer the unencumbered balance of the fund to the  
2-22 state highway fund for use in accordance with legislative  
2-23 appropriation.

2-24                    (b) The abolishment of the transportation infrastructure  
2-25 fund and the repeal of Subchapter C, Chapter 256, Transportation  
2-26 Code, do not affect the validity of any contract or agreement  
2-27 between the Texas Department of Transportation and a county that is  
2-28 entered into under that subchapter before December 31, 2017.

2-29                    SECTION 5. The repeal by this Act of Section 222.1071,  
2-30 Transportation Code, does not affect the validity of bonds issued  
2-31 under that section before the effective date of this Act. Bonds  
2-32 issued before the effective date of this Act are governed by the law  
2-33 in effect when the bonds were issued, and that law is continued in  
2-34 effect for purposes of the validity of those bonds.

2-35                    SECTION 6. The repeal by this Act of Section 222.1071,  
2-36 Transportation Code, does not affect the amount of any tax rate  
2-37 calculation under Chapter 26, Tax Code, for the 2018 tax year or a  
2-38 subsequent tax year pertaining to a county that imposes taxes on  
2-39 property that for the 2017 tax year was located in a county energy  
2-40 transportation reinvestment zone. Under Section 26.03, Tax Code,  
2-41 for the duration of the zone, in any tax rate calculation under  
2-42 Chapter 26 of that code, the portion of the captured appraised value  
2-43 of property located in the zone that corresponded to the tax  
2-44 increment of the county from that property that the county agreed to  
2-45 pay into the tax increment account for the zone was excluded from  
2-46 the value of property taxable by the county, and the portion of the  
2-47 tax increment of the county that the county agreed to pay into the  
2-48 account for the zone was excluded from the amount of taxes imposed  
2-49 or collected by the county. Because beginning with the 2018 tax  
2-50 year both that property value and the taxes corresponding to that  
2-51 property value will be included in the calculation of ad valorem tax  
2-52 rates of the county under Chapter 26, Tax Code, the amounts of those  
2-53 tax rates will be unaffected.

2-54                    SECTION 7. This Act takes effect December 31, 2017.

2-55                    \* \* \* \* \*