

By: Uresti, Seliger

S.B. No. 1707

A BILL TO BE ENTITLED

AN ACT

relating to funding for county transportation infrastructure projects in counties with significant oil and gas production.

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

SECTION 1. Section 222.1071, Transportation Code, is amended by adding Subsections (h-1), (i-1), (p), and (q) and amending Subsection (k) to read as follows:

(h-1) The chief appraiser of the appraisal district in which the zone is located shall certify to the county assessor-collector the amount of tax increment produced by the county.

(i-1) At least 95 percent of the tax increment paid into the tax increment account for the zone must be used to plan, construct, or maintain transportation infrastructure in the zone.

(k) A county energy transportation reinvestment zone terminates on December 31 of the eighth ~~[10th]~~ year after the year the zone was designated ~~[unless extended by an act of the county commissioners court that designated the zone. The extension may not exceed five years]~~. On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Chapter 256 for the county that deposited the money into the tax increment account.

(p) Notwithstanding any other provision of this section, a county may not designate an area in the jurisdiction of the county as a county energy transportation reinvestment zone after September

1 1, 2017.

2 (g) An owner of property located in an area designated as a  
3 county energy transportation reinvestment zone may protest a  
4 county's failure to follow a provision of this section to the  
5 appraisal review board established for the appraisal district in  
6 which the property is located in the manner provided by Subchapter  
7 C, Chapter 41, Tax Code. If the appraisal review board determines  
8 the protest in favor of the property owner, the county may not pay  
9 the tax increment produced by the county into the tax increment  
10 account for the zone. The comptroller shall adopt rules as  
11 necessary to implement this subsection.

12 SECTION 2. Section 222.1072, Transportation Code, is  
13 transferred to Subchapter C, Chapter 256, Transportation Code,  
14 redesignated as Section 256.107, Transportation Code, and amended  
15 to read as follows:

16 Sec. 256.107 [222.1072]. COUNTY GRANT PROGRAM ADVISORY  
17 BOARD [~~OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE~~]. (a) A  
18 county may create [~~is eligible to apply for a grant under Subchapter~~  
19 ~~C, Chapter 256, if the county creates~~] an advisory board to advise  
20 the county on transportation infrastructure projects to be funded  
21 by a grant from the department under this subchapter [~~the~~  
22 ~~establishment, administration, and expenditures of a county energy~~  
23 ~~transportation reinvestment zone~~]. The county commissioners court  
24 shall determine the terms and duties of the advisory board members.

25 (b) An [~~Except as provided by Subsection (c), the~~] advisory  
26 board created under this section [~~of a county energy transportation~~  
27 ~~reinvestment zone~~] consists of the following members appointed by

1 the county judge and approved by the county commissioners court:

2 (1) up to three oil and gas company representatives  
3 who perform company activities in the county and are local  
4 taxpayers; and

5 (2) two public members.

6 (c) [~~County energy transportation reinvestment zones that~~  
7 ~~are jointly administered are advised by a single joint advisory~~  
8 ~~board for the zones. A joint advisory board under this subsection~~  
9 ~~consists of members appointed under Subsection (b) for each zone to~~  
10 ~~be jointly administered.~~

11 [~~(d)~~] An advisory board member may not receive compensation  
12 for service on the board or reimbursement for expenses incurred in  
13 performing services as a member.

14 SECTION 3. Section 256.009(a), Transportation Code, is  
15 amended to read as follows:

16 (a) Not later than January 30 of each year, the county  
17 auditor or, if the county does not have a county auditor, the  
18 official having the duties of the county auditor shall file a report  
19 with the comptroller that includes:

20 (1) an account of how:

21 (A) the money allocated to a county under Section  
22 256.002 during the preceding year was spent; [~~and~~]

23 (B) if the county designated a county energy  
24 transportation reinvestment zone, expenditures were made by  
25 transportation infrastructure project money paid into a tax  
26 increment account for the zone; and

27 (C) money [~~or~~] from an award under Subchapter C

1 was spent;

2 (2) a description, including location, of any new  
3 roads constructed in whole or in part with the money:

4 (A) allocated to a county under Section 256.002  
5 during the preceding year; ~~and~~

6 (B) paid into a tax increment account for the  
7 zone ~~[or from an award under Subchapter C]~~ if the county designated  
8 a county energy transportation reinvestment zone; and

9 (C) from an award under Subchapter C;

10 (3) any other information related to the  
11 administration of Sections 256.002 and 256.003 that the comptroller  
12 requires; and

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

19 SECTION 4. Section 256.103(b), Transportation Code, is  
20 amended to read as follows:

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

23 (1) 20 percent according to weight tolerance permits,  
24 determined by the ratio of weight tolerance permits issued in the  
25 preceding fiscal year for the county ~~[that designated a county~~  
26 ~~energy transportation reinvestment zone]~~ to the total number of  
27 weight tolerance permits issued in the state in that fiscal year, as

1 determined by the Texas Department of Motor Vehicles;

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

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

15 (4) 10 percent according to the volume of oil and gas  
16 waste injected, determined by the ratio of the volume of oil and gas  
17 waste injected in the preceding fiscal year in the county [~~that~~  
18 ~~designated a county energy transportation reinvestment zone~~] to the  
19 total volume of oil and gas waste injected in the state in that  
20 fiscal year, as determined by the Railroad Commission of Texas.

21 SECTION 5. Section [256.104](#)(a), Transportation Code, is  
22 amended to read as follows:

23 (a) In applying for a grant under this subchapter, the  
24 county shall:

25 (1) provide the road condition report described by  
26 Section [251.018](#) made by the county for the previous year; and

27 (2) submit to the department[+]

1                   ~~[(A) a copy of the order or resolution~~  
2 ~~establishing a county energy transportation reinvestment zone in~~  
3 ~~the county, except that the department may waive the submission~~  
4 ~~until the time the grant is awarded, and~~

5                   ~~[(B)]~~ a plan that:

6                   (A) ~~[(i)]~~ provides a list of transportation  
7 infrastructure projects to be funded by the grant;

8                   (B) ~~[(ii)]~~ describes the scope of the  
9 transportation infrastructure project or projects to be funded by  
10 the grant using best practices for prioritizing the projects;

11                   (C) ~~[(iii)]~~ provides for matching funds as  
12 required by Section 256.105; and

13                   (D) ~~[(iv)]~~ meets any other requirements imposed  
14 by the department.

15                   SECTION 6. This Act takes effect September 1, 2017.