

By: Uresti

S.B. No. 1708

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to funding for counties for transportation infrastructure  
3 projects located in areas of the state affected by increased oil and  
4 gas production, including administration of county energy  
5 transportation reinvestment zones.

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

7 SECTION 1. Sections 222.1071(i) and (n), Transportation  
8 Code, are amended to read as follows:

9 (i) The county may:

10 (1) use money in the tax increment account, before  
11 September 1, 2017, to provide:

12 (A) matching funds under Section 256.105; and

13 (B) funding for one or more transportation  
14 infrastructure projects located in the zone;

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

17 (3) use one [~~five~~] percent of any grant distributed to  
18 the county under Subchapter C, Chapter 256, for the administration  
19 of a county energy transportation reinvestment zone, not to exceed  
20 \$100,000 [~~\$250,000~~];

21 (4) enter into an agreement to provide for the joint  
22 administration of county energy transportation reinvestment zones  
23 if the commissioners court of the county has designated a county  
24 energy transportation reinvestment zone under this section for the

1 same transportation infrastructure project or projects as another  
2 county commissioners court; and

3 (5) pledge money in the tax increment account, before  
4 September 1, 2017, to a road utility district formed as provided by  
5 Subsection (n).

6 (n) In the alternative, to assist the county in developing a  
7 transportation infrastructure project, if authorized by the  
8 commission under Chapter 441, a road utility district may be formed  
9 under that chapter that has the same boundaries as a county energy  
10 transportation reinvestment zone created under this section. The  
11 road utility district may issue bonds to pay all or part of the cost  
12 of a transportation infrastructure project and may pledge and  
13 assign all or a specified amount of money in the tax increment  
14 account, before September 1, 2017, to secure those bonds if the  
15 county:

16 (1) collects a tax increment; and

17 (2) pledges all or a specified amount of the tax  
18 increment to the road utility district.

19 SECTION 2. Section 222.1072, Transportation Code, is  
20 transferred to Subchapter C, Chapter 256, Transportation Code,  
21 redesignated as Section 256.107, Transportation Code, and amended  
22 to read as follows:

23 Sec. 256.107 [~~222.1072~~]. COUNTY GRANT PROGRAM ADVISORY  
24 BOARD [~~OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE~~]. (a) A  
25 county may create [~~is eligible to apply for a grant under Subchapter~~  
26 ~~C, Chapter 256, if the county creates~~] an advisory board to advise  
27 the county on transportation infrastructure projects to be funded

1 by a grant from the department under this subchapter [~~the~~  
2 ~~establishment, administration, and expenditures of a county energy~~  
3 ~~transportation reinvestment zone~~]. The county commissioners court  
4 shall determine the terms and duties of the advisory board members.

5 (b) An [~~Except as provided by Subsection (c), the~~] advisory  
6 board created under this section [~~of a county energy transportation~~  
7 ~~reinvestment zone~~] consists of the following members appointed by  
8 the county judge and approved by the county commissioners court:

9 (1) up to three oil and gas company representatives  
10 who perform a company activity or related service [~~activities in~~  
11 ~~the county and are local taxpayers~~]; and

12 (2) two public members.

13 (c) [~~County energy transportation reinvestment zones that~~  
14 ~~are jointly administered are advised by a single joint advisory~~  
15 ~~board for the zones. A joint advisory board under this subsection~~  
16 ~~consists of members appointed under Subsection (b) for each zone to~~  
17 ~~be jointly administered.~~

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

21 SECTION 3. Section 251.018, Transportation Code, is amended  
22 to read as follows:

23 Sec. 251.018. ROAD REPORTS. A road condition report made by  
24 a county that is operating under a system of administering county  
25 roads under Chapter 252 or a special law, including a report made  
26 under Section 251.005, must include the primary cause of any road,  
27 culvert, or bridge degradation if reasonably ascertained along with

1 a brief description of the degradation.

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

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

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

11 SECTION 5. Section 256.103, Transportation Code, is amended  
12 by adding Subsection (a-1) and amending Subsection (b) to read as  
13 follows:

14 (a-1) To be eligible for a grant under this subchapter, a  
15 county must have at least 400 active wells, including horizontal,  
16 vertical, and oil and gas waste disposal wells, as determined by the  
17 most recent data of the Railroad Commission of Texas.

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

20 (1) 10 ~~[20]~~ percent according to weight tolerance  
21 permits, determined by the ratio of weight tolerance permits issued  
22 in the preceding fiscal year for the county ~~[that designated a~~  
23 ~~county energy transportation reinvestment zone]~~ to the total number  
24 of weight tolerance permits issued in the state in that fiscal year,  
25 as determined by the Texas Department of Motor Vehicles;

26 (2) 20 percent according to oil and gas production  
27 taxes, determined by the ratio of oil and gas production taxes

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

6 (3) 15 [~~50~~] percent according to vertical well  
7 completions, determined by the ratio of vertical well completions  
8 in the preceding fiscal year in the county [~~that designated a county~~  
9 ~~energy transportation reinvestment zone~~] to the total number of  
10 vertical well completions in the state in that fiscal year, as  
11 determined by the Railroad Commission of Texas; [~~and~~]

12 (4) 45 percent according to horizontal well  
13 completions, determined by the ratio of horizontal well completions  
14 in the preceding fiscal year in the county to the total number of  
15 horizontal well completions in the state in that fiscal year, as  
16 determined by the Railroad Commission of Texas; and

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

27 SECTION 6. Section [256.104\(a\)](#), Transportation Code, is

1 amended to read as follows:

2 (a) In applying for a grant under this subchapter, the  
3 county shall:

4 (1) provide the road condition report described by  
5 Section 251.018 made by the county for the previous year; and

6 (2) submit to the department [+

7 [~~(A)~~ a copy of the order or resolution  
8 establishing a county energy transportation reinvestment zone in  
9 the county, except that the department may waive the submission  
10 until the time the grant is awarded; and

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

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

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

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

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

21 SECTION 7. Section 256.106(a), Transportation Code, is  
22 amended to read as follows:

23 (a) A county that makes a second or subsequent application  
24 for a grant from the department under this subchapter must:

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

27 (2) certify that all previous grants are being spent

1 in accordance with the plan submitted under Section 256.104; [~~and~~]

2 (3) provide an update on and brief description of the  
3 status of all uncompleted transportation infrastructure projects;  
4 and

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

7 SECTION 8. This Act takes effect September 1, 2017.