

## **BILL ANALYSIS**

C.S.H.B. 3850  
By: Deshotel  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that the ship channel improvement revolving fund was recently created to provide funding for much-needed infrastructure improvement to Texas waterways. However, there have been calls to refine the methodology for providing financing through the fund to allow financing for the sponsor's local share. To provide financing flexibility and predictability, C.S.H.B. 3850 seeks to revise the methodology through which certain ship channel improvements are funded.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 2 of this bill.

### **ANALYSIS**

C.S.H.B. 3850 amends the Transportation Code to authorize the Texas Transportation Commission to issue revenue bonds for the purpose of providing money for the ship channel improvement revolving fund and to require bond proceeds to be deposited in the fund. The bill changes the purpose for which the commission is required to establish by rule a revolving loan program to use money from the fund from financing qualified projects for navigation districts to enhancing the financing capabilities of entities responsible for the local share of qualified projects by providing revenue or security for low-interest loans, longer repayment terms for loans, and flexible loan repayment terms.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3850 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not change the administrating entity of the ship channel improvement revolving fund.

The substitute includes an authorization for the Texas Transportation Commission to issue revenue bonds for the purpose of providing money for the fund and a requirement for such bonds to be credited to the fund.

The substitute changes the purpose for which the commission is required to establish by rule a revolving loan program to use money from the fund from financing qualified projects for navigation districts to enhancing the financing capabilities of entities responsible for the local share of qualified projects. The substitute does not include the specification that a qualified project for the revolving loan program must be authorized by the United States Congress through the Water Resources Development Act.

The substitute changes the bill's effective date provision.