

BILL ANALYSIS

C.S.H.B. 4280
By: Morrison
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recent legislative efforts implemented a disbursement mechanism for funding that would improve county road infrastructure in energy-producing areas. It has been suggested that with record oil and natural gas production occurring across the state, as well as record severance tax collections, counties are in need of funding that would allow them to construct, repair, and maintain county roads that facilitate heavy traffic related to this production. Additionally, there have been calls to focus funding to the areas of greatest need. C.S.H.B. 4280 seeks to modify the mechanisms by which this grant program functions in order to more efficiently ensure the greatest benefit to these counties who, in turn, generate significant severance tax revenue back to the state for appropriations to statewide areas of need.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4280 amends the Transportation Code to clarify that transportation infrastructure fund grants are made only for transportation infrastructure projects located in areas of Texas affected by increased oil and gas production. The bill makes a county eligible for a transportation infrastructure fund grant if at least \$10 million in oil and gas production taxes were collected in the county in the fiscal year preceding the fiscal year in which the county applies for a grant, as determined by the comptroller of public accounts. The bill revises the allocation requirements of such grants to counties during a fiscal year by:

- decreasing from 20 percent to 10 percent the allocation of grants distributed according to weight tolerance permits; and
- increasing from 50 percent to 60 percent the total allocation of grants distributed according to well completions, with 45 percent to be distributed according to horizontal well completions and 15 percent to be distributed according to vertical well completions.

C.S.H.B. 4280 requires a county that enters into a contract for a transportation infrastructure project that involves construction or maintenance of roads and is funded by a transportation infrastructure fund grant to do the following:

- advertise for bids for the contract in a manner prescribed by law;
- receive competitive bids for the contract, publicly open the bids, and read aloud the

names of the bidders and their bids; and

- award the contract to the lowest responsible bidder.

The bill requires the county, in advertising for bids, to prepare a request for competitive bids that includes certain information and requires the county, not later than the seventh day after the date a contract is awarded, to document the basis of its selection and make the evaluations public.

C.S.H.B. 4280 requires a transportation infrastructure fund grant to be spent not later than the fifth anniversary of the date of the award. The bill repeals the requirement for a county to provide matching funds in a specified amount to be eligible to receive such a grant.

C.S.H.B. 4280 repeals Section 256.105, Transportation Code.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4280 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 include the following provisions:

- a requirement for a road condition report made by a county to include a brief description of any road, culvert, or bridge degradation; and
- a provision redefining "weight tolerance permit" and "well completion" for purposes of statutory provisions relating to the transportation infrastructure fund.

The substitute changes provisions relating to:

- the eligibility conditions for a county to receive a transportation infrastructure fund grant; and
- the allocation requirements of grants to counties during a fiscal year.

The substitute includes provisions:

- clarifying that transportation infrastructure fund grants are made only for certain transportation infrastructure projects;
- establishing competitive bidding requirements for contracts funded by such grants;
- requiring a grant to be spent not later than the fifth anniversary of the date of the award; and
- repealing the requirement for a county to provide matching funds to be eligible to receive a grant.