

By: Hall

S.B. No. 88

A BILL TO BE ENTITLED

AN ACT

relating to a pilot project for financing certain Texas Department of Transportation projects.

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

SECTION 1. Subchapter F, Chapter 223, Transportation Code, is amended by adding Section 223.251 to read as follows:

Sec. 223.251. DEPARTMENT PILOT FINANCING PROJECT USING ECONOMIC IMPACT ZONE. (a) The department may select one nontolled highway project under a design-build contract to be financed, including through the issuance of bonds, wholly or partly using revenue from:

(1) transportation reinvestment zones under Subchapter E, Chapter 222; and

(2) an economic impact zone under Subsection (b).

(b) The department may establish an economic impact zone for an area that extends not more than one mile on either side of the centerline of the project. If a zone is created:

(1) the department shall notify the comptroller of the establishment of the zone not later than the 30th day after the date the zone is established; and

(2) the comptroller shall:

(A) at the beginning of each calendar year, estimate the projected annual increase in state sales tax revenue in the zone during the calendar year over the amount of state sales

1 tax revenue in the zone during the calendar year in which the zone  
2 was established;

3 (B) monthly deposit into a separate account  
4 outside the treasury, without the necessity of an appropriation,  
5 one-twelfth of the amount of the estimated projected annual  
6 increase calculated under Paragraph (A); and

7 (C) at the end of each calendar year:

8 (i) transfer from the account to the  
9 department for the purpose of financing the project, an amount  
10 necessary to pay the costs of the project as described by Subsection  
11 (d), not to exceed the actual increase in state sales tax revenue in  
12 the zone during the calendar year over the amount of the state sales  
13 tax revenue in the zone during the calendar year in which the zone  
14 was established; and

15 (ii) transfer to the general revenue fund  
16 any amounts remaining in the account after the transfer.

17 (c) The department may require that the municipalities in  
18 which the project is located assume responsibility for project  
19 costs for rights-of-way and utility relocation.

20 (d) Revenue described by Subsection (b) may be used only  
21 for:

- 22 (1) development and construction of the project;  
23 (2) payment of debt incurred for the project; and  
24 (3) maintenance of the project.

25 (e) Financing agreements for a project financed under this  
26 section must contain provisions to allow the early retirement of  
27 debt using money from an economic impact zone under Subsection (b)

1 or money appropriated by the legislature.

2 (f) The maturity date of any bonds issued for the project  
3 may not be extended after the bonds are issued, including through  
4 the use of refunding bonds or other refinancing agreements, unless  
5 the extension of the maturity date will decrease the total amount of  
6 interest to be paid until maturity.

7 SECTION 2. This Act takes effect August 31, 2019.