

## **BILL ANALYSIS**

Senate Research Center  
89R20915 CXP-F

C.S.S.B. 2722  
By: Bettencourt  
Transportation  
4/16/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In the beginning of 2020, it was found that there was a stark increase in the transfer of excess funds to the Harris County Commissioners Court. Upon more investigation, the Harris County Toll Road Authority (HCTRA) was found to be distributing their excess funds equally among all commissioners, irrespective of county road lane miles. It was found that a portion of this excess revenue was being put towards projects for non-drivers: sidewalks, bike lanes, bike paths, intersections, etc. The distribution of excess HCTRA funds is being guided by political formulation and not on a transportation-related basis.

Toll revenue being diverted to matters unrelated to transportation projects continues to raise major concerns throughout the community. S.B. 2722 aims to control the diversion for excess toll revenue. This bill stipulates that of the revenue collected from tolls, 30 percent will be diverted to the municipality that contains more than 40 percent of the number of lane miles. This money can only be used to reimburse the municipality for the costs of providing law enforcement and other emergency services. The remaining 70 percent of toll revenue will be distributed to the county and can only be used on roads owned and maintained by the county. Lastly, S.B. 2722 will require the county to hire an independent auditor to ensure that these funds are being spent properly.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2722 amends current law relating to the use of certain tolls and charges imposed by certain counties and authorizes a civil penalty.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 284, Transportation Code, by adding Section 284.014, as follows:

Sec. 284.014. RESTRICTION ON USE OF REVENUE FROM TOLLS AND OTHER CHARGES IN CERTAIN COUNTIES. (a) Provides that this section applies only to a county with a population of four million or more.

(b) Provides that a county that imposes tolls or charges as otherwise authorized by Chapter 284 (Causeways, Bridges, Tunnels, Turnpikes, Ferries, and Highways in Certain Counties), except as provided by Subsection (d), is authorized only to use the revenues collected from the tolls or charges to pay the costs of operating, expanding, maintaining, or administering a project, retire debt related to a project, or use or pledge revenues to pay or finance the costs of a project, including the costs to study, design, construct, maintain, operate, and pool a turnpike project or system, and to pay bonds or other obligations related to a project.

(c) Provides that Subsection (b) applies to any fees received by a county for operating a project of another entity but does not apply to any other revenue of a project that is collected by the county on behalf of another entity under an agreement with the entity.

(d) Provides that, of the revenues collected from tolls and charges that remain after paying the costs described by Subsection (b), including costs to establish reserves required by a bond instrument and to maintain ratings on bonds or other obligations related to a project:

(1) 30 percent of the amount remaining is required to be distributed to the municipality that contains more than 40 percent of the number of lane miles of the project and is authorized to be used by the municipality only for the costs of providing law enforcement and other emergency services during accidents and disasters affecting a project of the county; and

(2) subject to Subsection (e) and except as provided by Subsection (f), 70 percent of the amount remaining is required to be retained by the county and is authorized to be used only to pay costs related to a county road owned and maintained by the county.

(e) Requires that at least 95 percent of the amount retained by a county under Subsection (d)(2) be allocated among all commissioners precincts based on the percentage of roads owned and maintained by the county in each precinct, excluding freeways as defined by Section 541.302 (Traffic Areas) and any road facilities for which a user is required to pay a toll, fee, or fare, according to the county's road log or maintenance schedule on September 1 of the fiscal year preceding the allocation.

(f) Authorizes a county to allocate up to five percent of the amount retained under Subsection (d)(2) to a county department or project with countywide impact, as determined by the county, for a state, county, or municipal facility relating to a road, street, highway, or related facility, provided that amounts allocated under this subsection are prohibited from being used on a hike, bike, or trail facility unless the expenditure is necessary to comply with a state or federal requirement.

(g) Provides that a county that violates Subsection (b) is subject to a civil penalty. Requires an independent auditor hired by a county to audit the county's annual financial report made to the commissioners court and to the district judges of the county under Section 114.025 (County Auditor's Monthly and Annual Reports to Commissioners Court and District Judges), Local Government Code, to report any violation of Subsection (b) to the State Auditor's Office (SAO).

(h) Requires SAO to promptly investigate a report received under Subsection (g) to determine if the county violated Subsection (b). Requires the attorney general, at the request of SAO, to file suit to collect a civil penalty. Provides that if the violation is:

(1) a first violation of Subsection (b), the amount of the civil penalty is an amount equal to 100 percent of the amount of revenues used by the county in violation of Subsection (b); or

(2) a second or subsequent violation of Subsection (b), the amount of the civil penalty is an amount equal to 110 percent of the amount of revenues used by the county in violation of Subsection (b).

(i) Requires a county for which a civil penalty is imposed under Subsection (h) to pay the penalty out of the general fund of the county.

(j) Prohibits a county for which a civil penalty is imposed under Subsection (h)(2), notwithstanding any other law, from adopting a tax rate for the tax year following the tax year in which the penalty was imposed that exceeds the lesser of the county's no-new-revenue tax rate or voter-approval tax rate, as determined under Section 26.04, Tax Code, for that tax year.

(k) Provides that a civil penalty collected under this section is required to be deposited in the state treasury to the credit of the state highway fund and is authorized only to be appropriated for transportation purposes.

SECTION 2. Effective date: September 1, 2025.