

By: Bucy

H.B. No. 542

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain money transferred to and deposited in the state highway fund as required by the Texas Constitution.

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

SECTION 1. Section 162.503, Tax Code, is amended to read as follows:

Sec. 162.503. ALLOCATION OF GASOLINE TAX. ~~[(a)]~~ On or before the fifth workday after the end of each month, the comptroller, after making all deductions for refund purposes and for the amounts allocated under Sections 162.502 and 162.5025, shall allocate the net remainder of the taxes collected under Subchapter B as follows:

(1) one-fourth of the tax shall be deposited to the credit of the available school fund;

(2) one-half of the tax shall be deposited to the credit of the state highway fund for the purposes authorized by Section 7-a, Article VIII, Texas Constitution ~~[construction and maintenance of the state road system under existing law]~~; and

(3) from the remaining one-fourth of the tax the comptroller shall:

(A) deposit to the credit of the county and road district highway fund all the remaining tax receipts until a total of \$7,300,000 has been credited to the fund each fiscal year; and

(B) after the amount required to be deposited to

1 the county and road district highway fund has been deposited,
2 deposit to the credit of the state highway fund the remainder of the
3 one-fourth of the tax, the amount to be provided on the basis of
4 allocations made each month of the fiscal year, which sum shall be
5 used by the Texas Department of Transportation for the
6 construction, improvement, and maintenance of farm-to-market
7 roads.

8 SECTION 2. Section 201.002(c), Transportation Code, is
9 amended to read as follows:

10 (c) All money authorized to be appropriated in accordance
11 with this section for the operation of the department and the
12 purchase of equipment shall be appropriated from the state highway
13 fund. The commission shall use the amount remaining in the fund
14 for the furtherance of public road construction and for
15 establishing a system of state highways and for transit-oriented
16 projects.

17 SECTION 3. Section 202.002(a), Transportation Code, is
18 amended to read as follows:

19 (a) The commission shall use automobile registration fees
20 in the state highway fund for the purposes authorized by Section
21 7-a, Article VIII, Texas Constitution, [to maintain state highways]
22 and may not divert funds from automobile registration fees for
23 another use.

24 SECTION 4. Section 222.001, Transportation Code, is amended
25 by amending Subsection (a) and adding Subsection (a-1) to read as
26 follows:

27 (a) Money that is required to be used for public roadways by

1 the Texas Constitution, except for Section 7-a, Article VIII, Texas
2 Constitution, or federal law and that is deposited in the state
3 treasury to the credit of the state highway fund, including money
4 deposited to the credit of the state highway fund under Title 23,
5 United States Code, may be used only:

6 (1) to improve the state highway system; or

7 (2) to mitigate adverse environmental effects that
8 result directly from construction or maintenance of a state highway
9 by the department.

10 (a-1) Money that is required to be used for public roadways
11 and transit-oriented projects by the Texas Constitution and that is
12 deposited in the state treasury to the credit of the state highway
13 fund may be used only to:

14 (1) improve the state highway system;

15 (2) support transit-oriented projects; or

16 (3) mitigate adverse environmental effects that
17 result directly from construction or maintenance of a project
18 described by Subdivision (1) or (2).

19 SECTION 5. Section 222.002, Transportation Code, is amended
20 to read as follows:

21 Sec. 222.002. USE OF STATE HIGHWAY FUND FOR DEPARTMENT
22 FUNCTIONS. Money in the state highway fund that is not required to
23 be spent for public roadways or transit-oriented projects by the
24 Texas Constitution or federal law may be used for any function
25 performed by the department.

26 SECTION 6. This Act takes effect September 1, 2027, but only
27 if the constitutional amendment proposed by the 89th Legislature,

H.B. No. 542

1 Regular Session, 2025, authorizing the use of money in the state
2 highway fund for transit-oriented projects is approved by the
3 voters. If that amendment is not approved by the voters, this Act
4 has no effect.