

By: Bettencourt, Huffman

S.B. No. 2722

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain tolls and charges imposed by certain counties; authorizing a civil penalty.

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

SECTION 1. Subchapter A, Chapter 284, Transportation Code, is amended by adding Section 284.014 to read as follows:

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

(b) Except as provided by this section, a county that imposes tolls or charges as otherwise authorized by this chapter may only use the revenues collected from the tolls or charges to:

(1) pay the costs of operating, expanding, maintaining, or administering a project;

(2) retire debt related to a project; or

(3) 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) 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.

(c-1) Of the revenues collected from tolls and charges that

1 remain after paying the costs described by Subsection (b),
2 including costs to establish reserves required by a bond instrument
3 and to maintain ratings on bonds or other obligations related to a
4 project:

5 (1) 30 percent of the amount remaining or \$80 million,
6 whichever is less, shall be distributed to the municipality that
7 contains more than 40 percent of the number of lane miles of the
8 project and may be used by the municipality only for the costs of
9 providing law enforcement and other emergency services during
10 accidents and disasters affecting a project of the county; and

11 (2) subject to Subsection (e) and except as provided
12 by Subsection (f), the amount remaining after the distribution
13 described by Subdivision (1) or after reimbursement under
14 Subsection (c-2) shall be retained by the county and may be used
15 only to pay costs related to a county road owned and maintained by
16 the county.

17 (c-2) Notwithstanding Subsection (c-1), a contractual
18 arrangement entered into between a county and a municipality
19 regarding the reimbursement of emergency services provided on a
20 project by the municipality supersedes the distribution of those
21 revenues as provided by Subsection (c-1)(1).

22 (c-3) An independent auditor hired by a municipality
23 described by Subsection (c-1)(1) shall review the municipality's
24 annual financial report to determine whether the municipality is in
25 compliance with the usage requirements of that subsection and shall
26 certify the amount of the municipality's expenditures that were
27 used for the purposes described by that subsection. The

independent auditor shall report any violation of the usage requirements of Subsection (c-1)(1) to the commissioners court of the county and the state auditor's office. If the independent auditor certifies that the municipality's expenditures were less than the amount transferred to the municipality under Subsection (c-1)(1) for the applicable period, the county shall deduct that difference from the amount to be transferred to the municipality as the next disbursement under Subsection (c-1)(1).

(c-4) This subsection and Subsections (c-1), (c-2), and (c-3) expire September 1, 2030.

(d) Beginning September 1, 2030, the county shall retain the amount that remains from the revenues collected from tolls and charges 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, and, subject to Subsection (e) and except as provided by Subsection (f), may use the amount retained only to pay costs related to a county road owned and maintained by the county.

(e) At least 95 percent of the amount retained by a county under this section must be allocated among all commissioners precincts as follows:

(1) one-third of the amount allocated based on the historical surplus funds transferred for the county's fiscal years 2005 through 2025 by precinct;

(2) one-third of the amount allocated based on the number of county lane miles in each precinct, excluding freeways as defined by Section 541.302 and any road facilities for which a user

1 must pay a toll, fee, or fare, according to the county's road log or
2 maintenance schedule on September 1 of the fiscal year preceding
3 the allocation; and

4 (3) one-third of the amount allocated based on the
5 road and pavement condition of county roads in each precinct,
6 excluding freeways as defined by Section [541.302](#) and any road
7 facilities for which a user must pay a toll, fee, or fare, according
8 to the county engineer's annual report on September 1 of the fiscal
9 year preceding the allocation.

10 (f) A county may allocate up to five percent of the amount
11 retained under this section to a county department or project with
12 countywide impact, as determined by the county, for a state,
13 county, or municipal facility relating to a road, street, highway,
14 or related facility.

15 (f-1) An amount allocated under Subsection (e) or (f) may
16 not be used on a hike, bike, or trail facility unless the
17 expenditure is necessary to comply with a state or federal
18 guideline.

19 (g) A county that violates this section is subject to a
20 civil penalty. An independent auditor hired by a county to audit
21 the county's annual financial report made to the commissioners
22 court and to the district judges of the county under Section
23 [114.025](#), Local Government Code, shall report any violation of this
24 section to the state auditor's office.

25 (h) The state auditor's office shall promptly investigate a
26 report received under Subsection (g) to determine if the county
27 violated this section. At the request of the state auditor's

1 office, the attorney general shall file suit to collect a civil
2 penalty. If the violation is:

3 (1) a first violation of this section, the amount of
4 the civil penalty is an amount equal to 100 percent of the amount of
5 revenues used by the county in violation of this section; or

6 (2) a second or subsequent violation of this section,
7 the amount of the civil penalty is an amount equal to 110 percent of
8 the amount of revenues used by the county in violation of this
9 section.

10 (i) A county for which a civil penalty is imposed under
11 Subsection (h) shall pay the penalty out of the general fund of the
12 county.

13 (j) Notwithstanding any other law, a county for which a
14 civil penalty is imposed under Subsection (h)(2) may not adopt a tax
15 rate for the tax year following the tax year in which the penalty
16 was imposed that exceeds the lesser of the county's no-new-revenue
17 tax rate or voter-approval tax rate, as determined under Section
18 [26.04](#), Tax Code, for that tax year.

19 (k) A civil penalty collected under this section shall be
20 deposited in the state treasury to the credit of the state highway
21 fund and may only be appropriated for transportation purposes.

22 SECTION 2. This Act takes effect September 1, 2025.