

85R1318 JTS-D

By: Hall

S.B. No. 84

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

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

(C) at the end of each calendar year:

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

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

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

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

(1) development and construction of the project;

(2) payment of debt incurred for the project; and

(3) maintenance of the project.

(e) Financing agreements for a project financed under this section must contain provisions to allow the early retirement of debt using money from an economic impact zone under Subsection (b) or money appropriated by the legislature.

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

SECTION 2. This Act takes effect August 31, 2017.