

BILL ANALYSIS

Senate Research Center
77R7265 DWS-F

C.S.S.J.R. 16
By: Shapiro
State Affairs
2/27/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Under Texas' current transportation funding system, some identified needs are not being met. In recent years, the number of motorists on Texas roadways, as well as the vehicle miles traveled on those roadways, has increased at a faster rate than the production of new lanes to carry the growing number of motorists. C.S.S.J.R. 16 provides for the establishment of the Texas Mobility Fund, a supplement to the current funding system, allowing the Texas Transportation Commission to issue bonds on a limited basis for certain transportation infrastructure costs.

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 Article III, Texas Constitution, by adding Section 49-k, as follows:

Sec. 49-k. (a) Defines "commission," "comptroller," "fund," and "obligations."

(b) Provides that the Texas Mobility Fund (fund) is created with the comptroller of public accounts (comptroller) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, including any necessary design and acquisition of right-of-way, as determined by the Texas Transportation Commission or its successor (commission) in accordance with standards and procedures established by law.

(c) Authorizes money in the fund to also be used to provide participation by the state in the payment of a portion of the costs of construction and providing publicly owned toll roads and other public transportation projects in accordance with procedures, standards, and limitations established by law. Requires income on money in the fund to be deposited in the fund.

(d) Authorizes the commission to issue and sell obligations of the state, and enter into related credit agreements, that are payable from and secured by a pledge of a lien on all or part of the money on deposit from time to time in the fund in an aggregate principal amount that can be repaid when due from the money on deposit in the fund, including the money that is required, by law enacted under Subsection (e) of this section, to be deposited in the fund, as that aggregate amount is projected by the comptroller in accordance with procedures established by law. Requires the proceeds of the obligations to be deposited in the fund and used for certain specific purposes and in a certain manner.

(e) Authorizes the legislature by law to dedicate to the fund one or more specific sources or portions or a specific amount of the revenue, including taxes, and other

money of the state. Authorizes the legislature, in exercising that authority, to dedicate to the fund only that portion of the money received from the levy and collection of motor vehicle registration fees and from taxes on motor fuels and lubricants that are dedicated for public highway and roadway purposes by Section 7-a, Article VIII, of this constitution that result from the payment out of other funds of the state of costs to which those fees and taxes are dedicated.

(f) Requires money dedicated as provided by this section, appropriated when received by the state, to be deposited in the fund. Authorizes that money to be used as provided by this section and law enacted under this section without further appropriation. Prohibits, while money in the fund is pledged to the payment of any outstanding obligations or related credit agreements, the dedication of a specific source or portion of revenue, taxes, or other money made as provided by this section from being reduced, rescinded, or repealed unless certain conditions are met.

(g) Authorizes the legislature to by law authorize, in addition to the dedication of specified sources or amounts of revenue, taxes, or money as provided by Subsection (e) of this section, the commission to guarantee the payment of any obligation and credit agreements issued and executed by the commission under the authority of this section by pledging the full faith and credit of the state to that payment if dedicated revenue is insufficient for that purpose. Provides that if that authority is granted and is implemented by the commission, while any of the bonds, notes, other obligations, or credit agreements are outstanding and unpaid, and for any fiscal year during which the dedicated revenue, taxes, and money are insufficient to make all payments when due, there is appropriated out of the first money coming into the treasury in each fiscal year that is not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of the obligations and agreements that become due during that fiscal year, minus any amount in the fund that is available for that payment in accordance with applicable law. Requires that this appropriation be deposited in the fund.

(h) Requires all obligations and related credit agreements to be issued and executed under the authority of this section to be submitted to the attorney general for approval as to their legality. Requires the attorney general, if the attorney general finds that they will be issued in accordance with this section and applicable law, to approve them. Provides that after payments are made by the purchasers of the obligations in accordance with the terms of sale approved by the attorney general and after execution and delivery of the related credit agreements, they are incontestable for any cause.

(i) Prohibits obligations and credit agreements issued or executed under the authority of this section from being included in the computation required by Section 49-j, Article III, of this constitution, except for a specific exception. Requires those obligations and credit agreements, if money in a specified amount has been dedicated to the fund without specification of its source or the authority granted by Subsection (g) of this section has been implemented, to be included to the extent the comptroller projects that general funds of the state, if any, will be required to pay amounts due on or on account of the obligations and credit agreements.

(j) Authorizes the collection and deposit of the amounts required by this section, applicable law, and contract to be applied to the payment of obligations and related credit agreements issued, executed, and secured under the authority of this section to be enforced by mandamus against the commission, an agency governed by the commission, and the comptroller in a district court of Travis County, and the sovereign immunity of the state is waived for that purpose.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an

election to be held November 6, 2001. Requires the ballot to be printed to permit voting for or against the proposition: "The constitutional amendment creating the Texas Mobility Fund and authorizing the issuance of obligations for financing the construction, reconstruction, acquisition, and expansion of state highways and other mobility projects."

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from the original by amending previously proposed new text relating to Texas Mobility Fund (fund) use. Deletes previously proposed new text pertaining to proceeds of financing. Adds text to clarify what money can be used to repay obligations and related credit agreements issued and sold by the Texas Transportation Commission (commission). Adds new text requiring the proceeds of the obligations to be deposited in the fund and used, rather than requiring the obligations to be issued, for certain specific purposes and in a certain manner. Deletes previously proposed Subsection (e)(1) relating to an increase in the rate of fees or taxes. Amends the conditions under which the dedication of certain monies made as provided by Section 49-k may be reduced, rescinded, or repealed. Adds specifications to the actions by a purchaser and the attorney general that render obligations and related credit agreements incontestable for any cause.

SECTION 2. Makes a conforming change.