

## **BILL ANALYSIS**

Senate Research Center

S.B. 1083  
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Infrastructure Development and Security  
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### **DIGEST AND PURPOSE**

Under current Texas law, the Texas Department of Transportation may only fund highway construction with funds available, and may not borrow money to finish projects under construction or to begin new projects. As proposed, S.B. 1083 authorizes the Texas Transportation Commission to issue bonds and other public securities to generate funds for highway construction, and earmarks 20 percent of the revenues generated for safety improvements. The public debt from the bonds and securities would be serviced by the state gasoline tax, pending a constitutional amendment authorizing tax funds to be used in that manner. S.B. 1083 will have no effect if that amendment is not approved by the voters.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 222.003, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 222A, Transportation Code, by adding Section 222.003, as follows:

Sec. 222.003. ISSUANCE OF BONDS SECURED BY STATE HIGHWAY FUND. (a) Authorizes the Texas Transportation Commission (TTC) to issue bonds and other public securities secured by a pledge of and payable from revenue deposited to the credit of the state highway fund. Prohibits the total amount of bonds and other public securities from exceeding \$5 billion.

(b) Requires \$1 billion from the sale of bonds and other public securities issued under this section to be used to fund highway safety improvement projects that correct or improve hazardous locations on the state highway system.

(c) Requires TTC to prescribe, by rule, criteria for selecting highway safety improvement projects eligible for funding under this section. Requires TTC to consider certain factors in establishing these criteria.

(d) Prohibits the proceeds of bonds and other public securities issued under this section from being used for any purpose other than the purposes for which revenues are dedicated under Section 7-a, Article VIII, Texas Constitution.

(e) Authorizes TTC to enter into bond enhancement agreements relating to the bonds and other public securities authorized by this section. Authorizes the agreements to be secured by and payable from the same sources as the bonds and other public securities.

(f) Makes Chapters 1201, 1202, 1204, 1231, and 1371, Government Code, applicable to the issuing of bonds and other public securities and the entering into of bond enhancement agreements under this section.

(g) Prohibits bonds and other public securities and bond enhancement agreements authorized by this section from having a principal amount or terms that are expected to cause annual expenditures with respect to all the bond obligations to exceed 10 percent of the amount deposited to the credit of the state highway fund in the year prior to issue.

(h) Requires bonds and other public securities issued under this section to mature no later than 15 years after their dates of issuance, subject to any refundings or renewals.

(i) Requires the comptroller to withdraw from the state highway fund and forward to TTC or another person at the direction of TTC the amounts as determined by TTC to permit timely payment of certain bond-related expenses and obligations.

SECTION 2. Effective date: this Act takes effect on the effective date of the constitutional amendment proposed by the 78th Legislature that authorizes the legislature to provide for the issuance of bonds and other public securities for improvements to the state highway system.

Provides that this Act has no effect if that amendment is not approved by the voters.