

## **BILL ANALYSIS**

Senate Research Center

S.B. 1794  
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Transportation  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Metropolitan planning organizations (MPO) are federally-mandated regional planning entities responsible for planning and programming funding for transportation projects that are regionally significant within their jurisdiction.

MPOs allocate state and federal funds for transportation projects consistent with the region's long-range transportation plan. The Texas Department of Transportation (TxDOT) then executes a funding agreement with the project entity (i.e. city, county, transit authority, or regional mobility authority), generally reimbursing the entity as funds are expended, much like the federal government reimburses TxDOT for federally funded expenditures.

S.B. 1794 authorizes the Capital Metropolitan Planning Organization to have a transportation revolving fund into which state and federal transportation funds, local contributions, or other revenue of the MPO can be deposited, invested until allocated, and then either granted or loaned to project entities.

As proposed, S.B. 1794 amends current law relating to a transportation revolving fund for certain metropolitan planning organizations.

### **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 Subchapter D, Chapter 472, Transportation code, by adding Section 472.036, as follows:

Sec.472.036. TRANSPORTATION REVOLVING FUND. (a) Authorizes a metropolitan planning organization with a planning jurisdiction of at least five counties, the largest of which has authorized a regional mobility authority under Chapter 370 (Regional Mobility Authorities) of this code, to establish a revolving fund held in a banking institution selected by the metropolitan planning organization.

(b) Authorizes a revolving fund to be funded with state and federal transportation money, local contributions, or other revenue of the metropolitan planning organization.

(c) Authorizes money in the revolving fund to be loaned or granted to cities, counties, the State of Texas, regional mobility authorities, rail districts, or metropolitan transit authorities within the planning jurisdiction of the metropolitan planning organization to pay expenses of planning, developing, acquiring right of way, constructing, implementing, and maintaining transportation projects approved by the metropolitan planning organization.

(i) Requires that money borrowed or granted under this section be segregated from other funds under the control of the authorized public

entity and authorizes the money to be used only for purposes authorized by the metropolitan planning organization.

(d) Requires the metropolitan planning organization, prior to establishing a revolving fund, to do the following:

(i) ensure there are sufficient funds to carry out its other required state and federal regional planning functions;

(ii) allocate sufficient funds to hire financial and other expertise to operate the revolving fund; and

(iii) adopt guidelines to evaluate applications for loans and grants pursuant to this section.

(e) Requires that a revolving fund created pursuant to this section be held in a depository selected by the metropolitan planning organization using the provisions of Chapter 116 (Depositories for County Public Funds), Local Government Code, or invested pursuant to the Public Funds Investment Act.

(f) Authorizes the board of directors of the metropolitan planning organization to direct the withdrawal of any funds deposited in the revolving fund that are not immediately required to pay obligations of the revolving fund unless such and investment or withdrawal is prohibited by law or the withdrawal is contrary to the terms of the depository contract.

(i) Authorizes the funds to be invested in accordance with Subchapter A (Authorized Investments for Governmental Entities), Chapter 2256 (Public Funds Investment), Government Code. Authorizes the funds, in addition to the obligations, certificates, and agreements described by that Act, to be invested in certificates of deposit issued by a state or federal savings and loan association domiciled in this state, the payment of which is insured in full by the Federal Savings and Loan Insurance Corporation or its successor.

(ii) Requires the agreement, if a metropolitan planning organization purchases a security repurchase agreement, to be purchased under a master contractual agreement that specifies the rights and obligations of both parties and that requires that securities involved in the transaction be held in a safekeeping account subject to the control and custody of the metropolitan planning organization.

SECTION 2. Effective date: September 1, 2013.