

## **BILL ANALYSIS**

Senate Research Center  
83R9779 MTB-D

S.J.R. 38  
By: Williams  
Finance  
4/9/2013  
As Filed

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

S.J.R. 38 creates a new State Infrastructure Fund to finance economic development transportation projects, including ports, using \$3 billion from the economic stabilization fund. A governor-appointed three-member board will administer the fund, with one member having experience in transportation, one member having experience in ports, and one having experience in urban planning and economic development. The Texas A&M Transportation Institute will submit recommendations regarding the use of money in the fund. The account will be set up as a revolving account offering credit enhancement and loans for local projects. Toll projects and mass transit will not be eligible for loans but will be eligible for credit enhancement.

S.J.R. 38 proposes a constitutional amendment providing for the creation of the state infrastructure fund and board to provide financial assistance for certain projects related to economic development infrastructure and for the transfer to the fund of money from the economic stabilization fund, and makes an appropriation.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the State Infrastructure Board in SECTION 1 (Section 74, Article XVI, Texas Constitution) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article XVI, Texas Constitution, by adding Section 74, as follows:

Sec. 74. (a) Defines "board," "economic development infrastructure," "fund," "political subdivision," "state agency," and "transportation institute" in this section.

(b) Provides that the State Infrastructure Board (board) consists of three members appointed by the governor with one member knowledgeable of or experienced in transportation planning, one member knowledgeable of or experienced in port issues, and one member knowledgeable of or experienced in urban planning and economic development.

(c) Provides that members of the board serve staggered terms of six years, with the term of one member expiring February 1 of each odd-numbered year. Requires the governor to designate a member of the board to serve as the presiding officer.

(d) Provides that a member of the board serves without compensation but is entitled to reimbursement for expenses as provided by the General Appropriations Act.

(e) Provides that the state infrastructure fund (fund) is a special revolving fund in the state treasury. Provides that the fund consists of money the legislature appropriates to the fund, donations made to the fund, loan repayments received by the board from loans made under this section, and interest earned on the balance of the fund.

(f) Authorizes the board to use money in the fund only to provide:

(1) loans to political subdivisions for projects related to economic development infrastructure; or

(2) credit enhancement to political subdivisions and other governmental entities that operate or maintain mass transit or toll projects for projects related to economic development infrastructure.

(g) Requires state agencies to provide assistance and advice to the board in prioritizing infrastructure projects for the provision of loans under this section.

(h) Requires a transportation research facility within the Texas A&M University System (transportation institute) to submit recommendations to the board regarding the use of money in the fund for use by the board in adopting rules under Subsection (i) of this section.

(i) Requires the board to adopt rules providing for the use of money in the fund consistent with this section, including rules:

(1) establishing standards for the eligibility of political subdivisions and other entities to receive loans or credit enhancement for projects related to economic development infrastructure under Subsection (f) of this section; and

(2) specifying the manner for prioritizing projects for lending or credit enhancement under Subsection (f) of this section.

(j) Requires the board to give appropriate consideration to the recommendations of the transportation institute before adopting rules under Subsection (i) of this section.

(k) Prohibits money in the fund from being used for transportation infrastructure projects that involve mass transit or toll projects, except as provided by Subsection (f)(2) of this section.

(l) Provides that the amount of \$3 billion is transferred from the economic stabilization fund to the credit of the fund, and that amount is appropriated to the board for the purposes of the fund for the state fiscal biennium beginning September 1, 2013. Provides that this subsection expires August 31, 2015.

**SECTION 2. TEMPORARY PROVISION.** (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, providing for the creation of the fund and board to provide financial assistance for certain projects related to economic development infrastructure and for the transfer to the fund of money from the economic stabilization fund.

(b) Effective date, Section 74, Article XVI, Texas Constitution,,: January 1, 2014.

(c) Requires the governor to appoint the initial members of the board in accordance with Section 74, Article XVI, Texas Constitution, promptly after January 1, 2014. Requires the governor to, of those members, designate one to serve a term expiring February 1, 2019, one to serve a term expiring February 1, 2017, and one to serve a term expiring February 1, 2015.

(d) Provides that this temporary provision expires January 1, 2015.

**SECTION 3.** Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.