

BILL ANALYSIS

Senate Research Center
84R19025 MTB-D

C.S.S.B. 1172
By: Nichols
Transportation
4/2/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Voters authorized the creation of the Texas Mobility Fund (TMF) in 2001, establishing it within the treasury of the State of Texas, and authorizing the Texas Transportation Commission to administer it. As authorized by the voters, the Texas Legislature established the TMF to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, including the costs of any necessary design and costs of acquisition of rights-of-way.

The TMF may also be used to provide participation by TxDOT in the payment of all or a portion of the costs of constructing and providing publicly owned toll roads and other public transportation projects. Bonds and other obligations of the TMF issued to date are secured by a first lien interest in certain revenues of the TMF, and they are also general obligations of the state secured by the full faith and credit of the state.

Therefore, should the revenue and money dedicated to and on deposit in the TMF be insufficient to make payments due on TMF bonds and other obligations, there is appropriated from the State Treasury an amount that is sufficient to make payments due on such bonds and other obligations. The maximum maturity for bonds in this program is 30 years.

As of the end of fiscal year 2014, the Bond Review Board (BRB) had authorized the issuance of \$7.39 billion in TMF bonds. Eleven series of obligations secured by the Texas Mobility Fund have been issued, totaling approximately \$7.39 billion. During the 2014–2015 biennium approximately \$518.9 million in TMF bond proceeds were appropriated and approximately \$689.3 million was appropriated for debt service.

S.B. 1172 would prevent the Texas Transportation Commission from issuing any more obligation bonds under the TMF. Excess revenue would be used to pay off bond debt. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1172 amends current law relating to the issuance of obligations payable from and secured by the Texas Mobility Fund.

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 Section 201.943(a) and (l), Transportation Code, as follows:

(a) Adds a reference to Subsection (l) in a list of subsections to which the Texas Transportation Commission (TTC) is subject when issuing obligations in the name and on behalf of the state and the Texas Department of Transportation (TxDOT).

(l) Prohibits obligations, except as otherwise provided by this subsection, from being issued under this section or Section 49-k (Texas Mobility Fund), Article III, Texas Constitution, after January 1, 2015. Authorizes TCC to issue obligations to refund:

(1) outstanding obligations to provide savings to the state; and

(2) outstanding variable rate obligations and may renew or replace credit agreements relating to the obligations.

Deletes existing text prohibiting obligations from being issued if TCC or TxDOT requires that toll roads be included in a regional mobility plan in order for a local authority to receive an allocation from the fund.

SECTION 2. Effective date: upon passage or September 1, 2015.