

AN ACT

relating to the grant program using money from the transportation infrastructure fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 222.110(a), (e), and (h), Transportation Code, are amended to read as follows:

(a) In this section, "sales [+ ~~(1) "Sales~~] tax base" for a transportation reinvestment zone means the amount of sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, as applicable, attributable to the zone for the year in which the zone was designated under this chapter.

~~(2) "Transportation reinvestment zone" includes a county energy transportation reinvestment zone.]~~

(e) The sales and use taxes to be deposited into the tax increment account under this section may be disbursed from the account only to:

(1) pay for projects authorized under Section 222.104 or 222.108; and

(2) notwithstanding Sections 321.506 and 323.505, Tax Code, satisfy claims of holders of tax increment bonds, notes, or other obligations issued or incurred for projects authorized under Section 222.104 [~~222.1071~~] or 222.108.

1 (h) The hearing required under Subsection (g) may be held in
2 conjunction with a hearing held under Section 222.106(e) or ~~[r]~~
3 222.107(e) ~~[, or 222.1071(d)]~~ if the ordinance or order designating
4 an area as a transportation reinvestment zone under Section 222.106
5 or ~~[r]~~ 222.107 ~~[, or 222.1071]~~ also designates a sales tax increment
6 under Subsection (b).

7 SECTION 2. Section 256.009(a), Transportation Code, is
8 amended to read as follows:

9 (a) Not later than January 30 of each year, the county
10 auditor or, if the county does not have a county auditor, the
11 official having the duties of the county auditor shall file a report
12 with the comptroller that includes:

13 (1) an account of how:

14 (A) the money allocated to a county under Section
15 256.002 during the preceding year was spent; and

16 (B) if the county received ~~[designated a county
17 energy transportation reinvestment zone, money paid into a tax
18 increment account for the zone or from]~~ an award under Subchapter C,
19 the money was spent;

20 (2) a description, including location, of any new
21 roads constructed in whole or in part with the money:

22 (A) allocated to a county under Section 256.002
23 during the preceding year; and

24 (B) received ~~[paid into a tax increment account
25 for the zone or]~~ from any ~~[an]~~ award under Subchapter C ~~[if the
26 county designated a county energy transportation reinvestment
27 zone]~~;

1 (3) any other information related to the
2 administration of Sections 256.002 and 256.003 that the comptroller
3 requires; and

4 (4) the total amount of expenditures for county road
5 and bridge construction, maintenance, rehabilitation, right-of-way
6 acquisition, and utility construction and other appropriate road
7 expenditures of county funds in the preceding county fiscal year
8 that are required by the constitution or other law to be spent on
9 public roads or highways.

10 SECTION 3. Section 256.103(b), Transportation Code, is
11 amended to read as follows:

12 (b) Grants distributed during a fiscal year must be
13 allocated among counties as follows:

14 (1) 20 percent according to weight tolerance permits,
15 determined by the ratio of weight tolerance permits issued in the
16 preceding fiscal year for the county [~~that designated a county~~
17 ~~energy transportation reinvestment zone~~] to the total number of
18 weight tolerance permits issued in the state in that fiscal year, as
19 determined by the Texas Department of Motor Vehicles;

20 (2) 20 percent according to oil and gas production
21 taxes, determined by the ratio of oil and gas production taxes
22 collected by the comptroller in the preceding fiscal year in the
23 county [~~that designated a county energy transportation~~
24 ~~reinvestment zone~~] to the total amount of oil and gas production
25 taxes collected in the state in that fiscal year, as determined by
26 the comptroller;

27 (3) 50 percent according to well completions,

1 determined by the ratio of well completions in the preceding fiscal
2 year in the county [~~that designated a county energy transportation~~
3 ~~reinvestment zone~~] to the total number of well completions in the
4 state in that fiscal year, as determined by the Railroad Commission
5 of Texas; and

6 (4) 10 percent according to the volume of oil and gas
7 waste injected, determined by the ratio of the volume of oil and gas
8 waste injected in the preceding fiscal year in the county [~~that~~
9 ~~designated a county energy transportation reinvestment zone~~] to the
10 total volume of oil and gas waste injected in the state in that
11 fiscal year, as determined by the Railroad Commission of Texas.

12 SECTION 4. Section 256.104(a), Transportation Code, is
13 amended to read as follows:

14 (a) In applying for a grant under this subchapter, the
15 county shall:

16 (1) provide the road condition report described by
17 Section 251.018 made by the county for the previous year; and

18 (2) submit to the department [~~+~~
19 [~~(A) a copy of the order or resolution~~
20 ~~establishing a county energy transportation reinvestment zone in~~
21 ~~the county, except that the department may waive the submission~~
22 ~~until the time the grant is awarded, and~~

23 [~~(B)~~] a plan that:

24 (A) [~~(i)~~] provides a list of transportation
25 infrastructure projects to be funded by the grant;

26 (B) [~~(ii)~~] describes the scope of the
27 transportation infrastructure project or projects to be funded by

1 the grant using best practices for prioritizing the projects;

2 (C) [~~(iii)~~] provides for matching funds as
3 required by Section 256.105; and

4 (D) [~~(iv)~~] meets any other requirements imposed
5 by the department.

6 SECTION 5. Sections 222.1071, 222.1072, and 222.110(i),
7 Transportation Code, are repealed.

8 SECTION 6. The repeal by this Act of Section 222.1071,
9 Transportation Code, does not affect the validity of bonds issued
10 under that section before the effective date of this Act. Bonds
11 issued before the effective date of this Act are governed by the law
12 in effect when the bonds were issued, and that law is continued in
13 effect for purposes of the validity of those bonds.

14 SECTION 7. The repeal by this Act of Section 222.1071,
15 Transportation Code, does not affect the amount of any tax rate
16 calculation under Chapter 26, Tax Code, for the 2018 tax year or a
17 subsequent tax year pertaining to a county that imposes taxes on
18 property that for the 2017 tax year was located in a county energy
19 transportation reinvestment zone. Under Section 26.03, Tax Code,
20 for the duration of the zone, in any tax rate calculation under
21 Chapter 26 of that code, the portion of the captured appraised value
22 of property located in the zone that corresponded to the tax
23 increment of the county from that property that the county agreed to
24 pay into the tax increment account for the zone was excluded from
25 the value of property taxable by the county, and the portion of the
26 tax increment of the county that the county agreed to pay into the
27 account for the zone was excluded from the amount of taxes imposed

1 or collected by the county. Because beginning with the 2018 tax
2 year both that property value and the taxes corresponding to that
3 property value will be included in the calculation of ad valorem tax
4 rates of the county under Chapter 26, Tax Code, the amounts of those
5 tax rates will be unaffected.

6 SECTION 8. This Act takes effect December 31, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1305 passed the Senate on
April 4, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1305 passed the House on
May 17, 2017, by the following vote: Yeas 140, Nays 1, two
present not voting.

Chief Clerk of the House

Approved:

Date

Governor