(2) whether the events would likely be held in this state in the absence of the incentives provided through the fund.

(b) The comptroller of public accounts shall prepare a report of the findings from the study conducted under Subsection (a) of this section. Not later than January 1, 2015, the comptroller shall electronically file a copy of the report with the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the senate and house of representatives having primary jurisdiction over fiscal matters or matters related to tourism or recreation.

(c) This section expires September 1, 2015.

SECTION 6. The changes in law made by this Act apply only to a request submitted to the comptroller of public accounts by an endorsing municipality or endorsing county under Section 5A or 5C, Chapter 1507 (Senate Bill No. 456, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), on or after the effective date of this Act. A request submitted under Section 5A or 5C before that date is governed by the law in effect on the date the request is submitted, and that law is continued in effect for that purpose.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed the Senate on April 25, 2013: Yeas 28, Nays 0; the Senate concurred in House amendments on May 25, 2013: Yeas 20, Nays 6; passed the House, with amendments, on May 20, 2013: Yeas 145, Nays 2, one present not voting.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 1372

S.B. No. 1747

AN ACT

relating to funding and donations for transportation projects, including projects of county energy transportation reinvestment zones.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 256, Transportation Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TRANSPORTATION INFRASTRUCTURE FUND

Sec. 256.101. DEFINITIONS. In this subchapter:

(1) “Fund” means the transportation infrastructure fund established under this subchapter.

(2) “Transportation infrastructure project” means the planning for, construction of, reconstruction of, or maintenance of transportation infrastructure, including roads, bridges, and culverts, intended to alleviate degradation caused by the exploration, development, or production of oil or gas. The term includes the lease or rental of equipment used for road maintenance.

(3) “Weight tolerance permit” means a permit issued under Chapter 623 authorizing a vehicle to exceed maximum legal weight limitations.

(4) “Well completion” means the completion, reentry, or recompletion of an oil or gas well.
Sec. 256.102. TRANSPORTATION INFRASTRUCTURE FUND. (a) The transportation infrastructure fund is a dedicated fund in the state treasury outside the general revenue fund. The fund consists of:

1. any federal funds received by the state deposited to the credit of the fund;
2. matching state funds in an amount required by federal law;
3. funds appropriated by the legislature to the credit of the fund;
4. a gift or grant;
5. any fees paid into the fund; and
6. investment earnings on the money on deposit in the fund.

(b) Money in the fund may be appropriated only to the department for the purposes of this subchapter.

(c) Sections 403.095 and 404.071, Government Code, do not apply to the fund.

Sec. 256.103. GRANT PROGRAM. (a) The department shall develop policies and procedures to administer a grant program under this subchapter to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. The department may adopt rules to implement this subchapter.

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

1. 20 percent according to weight tolerance permits, determined by the ratio of weight tolerance permits issued in the preceding fiscal year for the county that designated a county energy transportation reinvestment zone to the total number of weight tolerance permits issued in the state in that fiscal year, as determined by the Texas Department of Motor Vehicles;
2. 20 percent according to oil and gas production taxes, determined by the ratio of oil and gas production taxes collected by the comptroller in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total amount of oil and gas production taxes collected in the state in that fiscal year, as determined by the comptroller;
3. 50 percent according to well completions, determined by the ratio of well completions in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total number of well completions in the state in that fiscal year, as determined by the Railroad Commission of Texas; and
4. 10 percent according to the volume of oil and gas waste injected, determined by the ratio of the volume of oil and gas waste injected in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total volume of oil and gas waste injected in the state in that fiscal year, as determined by the Railroad Commission of Texas.

Sec. 256.104. GRANT APPLICATION PROCESS. (a) In applying for a grant under this subchapter, the county shall:

1. provide the road condition report described by Section 251.018 made by the county for the previous year, and
2. submit to the department:
   (A) a copy of the order or resolution establishing a county energy transportation reinvestment zone in the county, except that the department may waive the submission until the time the grant is awarded; and
   (B) a plan that:
      (i) provides a list of transportation infrastructure projects to be funded by the grant;
      (ii) describes the scope of the transportation infrastructure project or projects to be funded by the grant using best practices for prioritizing the projects;
      (iii) provides for matching funds as required by Section 256.105; and
      (iv) meets any other requirements imposed by the department.

(b) In reviewing grant applications under this subchapter, the department shall:
(1) seek other potential sources of funding to maximize resources available for the transportation infrastructure projects to be funded by grants under this subchapter; and

(2) consult related transportation planning documents to improve project efficiency and work effectively in partnership with counties.

(c) Except as otherwise provided by this subsection, the department shall review a grant application before the 31st day after the date the department receives the application. The department may act on an application not later than the 60th day after the date the department receives the application if the department provides notice of the extension to the county that submitted the application.

Sec. 256.105. MATCHING FUNDS. (a) Except as provided by Subsection (b), to be eligible to receive a grant under the program, matching funds must be provided, from any source, in an amount equal to at least 20 percent of the amount of the grant.

(b) A county that the department determines to be economically disadvantaged must provide matching funds in an amount equal to at least 10 percent of the amount of the grant.

Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that makes a second or subsequent application for a grant from the department under this subchapter must:

(1) provide the department with a copy of a report filed under Section 251.018;

(2) certify that all previous grants are being spent in accordance with the plan submitted under Section 256.104; and

(3) provide an accounting of how previous grants were spent, including any amounts spent on administrative costs.

(b) The department may use one-half of one percent of the amount deposited into the fund in the preceding fiscal year, not to exceed $500,000 in a state fiscal biennium, to administer this subchapter.

SECTION 2. Subchapter E, Chapter 222, Transportation Code, is amended by adding Sections 222.1071 and 222.1072 to read as follows:

Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES. (a) A county shall determine the amount of the tax increment for a county energy transportation reinvestment zone in the same manner the county would determine the tax increment as provided in Section 222.107(a) for a county transportation reinvestment zone.

(b) A county, after determining that an area is affected because of oil and gas exploration and production activities and would benefit from funding under Chapter 256, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more transportation infrastructure projects, as that term is defined by Section 256.101, located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone with a contiguous county energy transportation reinvestment zone formed by another county.

(c) A commissioners court must:

(1) dedicate or pledge all of the captured appraised value of real property located in the county energy transportation reinvestment zone to transportation infrastructure projects; and

(2) comply with all applicable laws in the application of this chapter.

(d) Not later than the 30th day before the date a commissioners court proposes to designate an area as a county energy transportation reinvestment zone under this section, the commissioners court must hold a public hearing on the creation of the zone and its benefits to the county and to property in the proposed zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, the joint administration of a zone in another county, or the use of tax increment paid into the tax increment account.

(e) Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county.
The order or resolution designating an area as a county energy transportation reinvestment zone must:

1. describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;
2. provide that the zone takes effect immediately on adoption of the order or resolution designating an area and that the base year shall be the year of passage of the order or resolution designating an area or some year in the future;
3. establish an ad valorem tax increment account for the zone or provide for the establishment of a joint ad valorem tax increment account, if applicable; and
4. if two or more counties are designating a zone for the same transportation infrastructure project or projects, include a finding that:
   A. the project or projects will benefit the property and residents located in the zone;
   B. the creation of the zone will serve a public purpose of the county; and
   C. details the transportation infrastructure projects for which each county is responsible.

Compliance with the requirements of this section constitutes designation of an area as a county energy transportation reinvestment zone without further hearings or other procedural requirements.

The county may, from taxes collected on property in a zone, pay into a tax increment account for the zone or zones an amount equal to the tax increment produced by the county less any amounts allocated under previous agreements, including agreements under Section 381.004, Local Government Code, or Chapter 312, Tax Code.

The county may:
1. use money in the tax increment account to provide:
   A. matching funds under Section 256.105; and
   B. funding for one or more transportation infrastructure projects located in the zone;
2. apply for grants under Subchapter C, Chapter 256, subject to Section 222.1072;
3. use five percent of any grant distributed to the county under Subchapter C, Chapter 256, for the administration of a county energy transportation reinvestment zone, not to exceed $250,000;
4. enter into an agreement to provide for the joint administration of county energy transportation reinvestment zones if the commissioners court of the county has designated a county energy transportation reinvestment zone under this section for the same transportation infrastructure project or projects as another county commissioners court; and
5. pledge money in the tax increment account to a road utility district formed as provided by Subsection (n).

Tax increment paid into a tax increment account may not be pledged as security for bonded indebtedness.

A county energy transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated unless extended by an act of the county commissioners court that designated the zone. The extension may not exceed five years. On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Chapter 256 for the county that deposited the money into the tax increment account.

The captured appraised value of real property located in a county energy transportation reinvestment zone shall be treated as provided by Section 26.03, Tax Code.

The commissioners court of a county may enter into an agreement with the department to designate a county energy transportation reinvestment zone under this section for a specified transportation infrastructure project involving a state highway located in the proposed zone.
(n) In the alternative, to assist the county in developing a transportation infrastructure project, if authorized by the commission under Chapter 441, a road utility district may be formed under that chapter that has the same boundaries as a county energy transportation reinvestment zone created under this section. The road utility district may issue bonds to pay all or part of the cost of a transportation infrastructure project and may pledge and assign all or a specified amount of money in the tax increment account to secure those bonds if the county:

(1) collects a tax increment; and

(2) pledges all or a specified amount of the tax increment to the road utility district.

(a) A road utility district formed as provided by Subsection (n) may enter into an agreement to fund development of a transportation infrastructure project or to repay funds owed to the department. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE. (a) A county is eligible to apply for a grant under Subchapter C, Chapter 256, if the county creates an advisory board to advise the county on the establishment, administration, and expenditures of a county energy transportation reinvestment zone. The county commissioners court shall determine the terms and duties of the advisory board members.

(b) Except as provided by Subsection (c), the advisory board of a county energy transportation reinvestment zone consists of the following members appointed by the county judge and approved by the county commissioners court:

(1) up to three oil and gas company representatives who perform company activities in the county and are local taxpayers; and

(2) two public members.

(c) County energy transportation reinvestment zones that are jointly administered are advised by a single joint advisory board for the zones. A joint advisory board under this subsection consists of members appointed under Subsection (b) for each zone to be jointly administered.

(d) An advisory board member may not receive compensation for service on the board or reimbursement for expenses incurred in performing services as a member.

SECTION 3. Section 222.110, Transportation Code, is amended by amending Subsections (a) and (h) and adding Subsection (i) to read as follows:

(a) In this section:

(1) “Sales, use 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.

(h) The hearing required under Subsection (g) may be held in conjunction with a hearing held under Section 222.106(e), or 222.107(d) if the ordinance or order designating an area as a transportation reinvestment zone under Section 222.106, or 222.107, also designates a sales tax increment under Subsection (b).

(i) Notwithstanding Subsection (e), the sales and use taxes to be deposited into the tax increment account established by a county energy transportation reinvestment zone or zones under this section may be disbursed from the account only to provide:

(1) matching funds under Section 256.105; and

(2) funding for one or more transportation infrastructure projects located in a zone.

SECTION 4. Subchapter A, Chapter 251, Transportation Code, is amended by adding Sections 251.018 and 251.019 to read as follows:
Sec. 251.018. ROAD REPORTS. A road condition report made by a county that is operating under a system of administering county roads under Chapter 252 or a special law, including a report made under Section 251.005, must include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained.

Sec. 251.019. DONATIONS. (a) A commissioners court may accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

(b) A county operating under the county road department system on September 1, 2013, may use the authority granted under this section without holding a new election under Section 252.301.

(c) A county that accepts donations under this section must execute a release of liability in favor of the entity donating the labor, money, or other property.

SECTION 5. Subsection (a), Section 256.009, Transportation Code, is amended to read as follows:

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

(1) an account of how:

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

(B) if the county designated a county energy transportation reinvestment zone, money paid into a tax increment account for the zone or from an award under Subchapter C was spent;

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

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

(B) paid into a tax increment account for the zone or from an award under Subchapter C if the county designated a county energy transportation reinvestment zone;

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

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

SECTION 6. The Texas Department of Transportation shall adopt rules implementing Subchapter C, Chapter 256, Transportation Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 7. The amendment adding Sections 222.1071 and 222.1072 to Subchapter E, Chapter 222, Transportation Code, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, House Bill No. 2300, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, House Bill No. 2300, 83rd Legislature, Regular Session, 2013, has no effect.

SECTION 8. This Act takes effect September 1, 2013.

Passed the Senate on April 23, 2013: Yeas 31, Nays 0; May 24, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 25, 2013, House granted request of the Senate; May 26, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0; passed the House, with amendments, on May 22, 2013: Yeas 135, Nays 10, one present not voting; May 25, 2013, House granted request of the Senate for appointment of Conference Committee; May 26, 2013, House adopted Conference Committee Report by the following vote: Yeas 133, Nays 10, two present not voting.
CHAPTER 1373

S.B. No. 1863

AN ACT relating to use of district funds by the Nueces County Hospital District.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 281.094, Health and Safety Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund:

(1) indigent health care; and

(2) intergovernmental transfers from the district to the state for use as the nonfederal share of Medicaid supplemental payment program or waiver program payments for eligible health care providers located inside or outside the district’s boundaries, including, but not limited to, any payments available through a waiver granted under Section 1115, Social Security Act (42 U.S.C. Section 1315), or other similar payment programs, subject to the limitation prescribed by Subsection (c).

(c) Neither the funds comprising an intergovernmental transfer described by Subsection (b)(2) nor any federal funds obtained from any such transfer may be used by the board of the Nueces County Hospital District or any entity to expand eligibility for medical assistance (Medicaid) under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed the Senate on May 8, 2013: Yeas 30, Nays 0; passed the House on May 22, 2013: Yeas 147, Nays 1, two present not voting.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 1374

S.B. No. 1906

AN ACT relating to the creation of Fort Bend County Municipal Management District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3927 to read as follows:

3646