

BILL ANALYSIS

Senate Research Center
81R8712 JD-D

C.S.S.J.R. 18
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Finance
3/30/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is a shortage of funding available to fund needed highway construction projects. Transportation finance zones (zone) do not exist and the state portion of sales and use taxes is not directly dedicated to state highway projects. State sales and use tax collected within the boundaries of a zone could be deposited into a separate account in the mobility fund for the sole purpose of paying the principal of and interest on obligations issued in connection with a state highway project within the boundaries of the zone. Before any zone would become effective, the legislature would be required to review and approve the designation and boundaries.

C.S.S.J.R. 18 authorizes the legislature by general law to authorize the Texas Transportation Commission (TTC) to designate as a transportation finance zone an area adjacent to the right-of-way of an existing or proposed state highway. C.S.S.J.R. 18 authorizes the legislature to limit the amount of money the comptroller of public accounts is authorized to deposit to the credit of the mobility fund in any fiscal year, and to authorize TTC to guarantee the payment of any obligations issued by pledging the full faith and credit of the state if dedicated revenue is insufficient for that purpose.

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 49-k, Article III, Texas Constitution, by adding Subsection (e-1) and amending Subsection (g), as follows:

(e-1) Authorizes the legislature by general law to authorize the Texas Transportation Commission (TTC) to designate as a transportation finance zone an area defined by the general law that is adjacent to the right-of-way of an existing or proposed state highway, if in connection with construction, reconstruction, or expansion of the state highway, including design and right-of-way acquisition costs, TTC has issued and sold obligations or entered into credit agreements under Subsection (d) of this section. Requires that the designation of an area as a transportation finance zone be reviewed and approved by the legislature before the designation is authorized to take effect. Provides that in addition to other sources of revenue, there is dedicated to the fund the proceeds of a state tax that is established by general law and imposed on the sale of a taxable item in this state or on the storage, use, or other consumption in this state of a taxable item purchased from a retailer for storage, use, or other consumption in this state, if the sale or use is consummated within the boundaries of a transportation finance zone. Authorizes all proceeds from the taxes to which this subsection applies that are collected within the boundaries of a transportation finance zone to be deposited to the credit of a separate account in the fund. Authorizes the money collected within the boundaries of a transportation finance zone and deposited to the credit of the fund under this subsection to be used only for the purpose of paying the principal of and interest on obligations issued under Subsection (d) of this section or a related credit agreement entered into under that subsection in connection with the state highway that is located in that transportation finance zone. Authorizes the legislature to limit the amount of money the comptroller of public accounts is authorized to deposit to the credit of the fund in any state fiscal year under this subsection.

(g) Authorizes the legislature, in addition to the dedication of specified sources or amounts of revenue, taxes, or money as provided by Subsections (e) and (e-1) of this section, rather than Subsection (e), by law to authorize TTC to guarantee the payment of any obligations and credit agreements issued and executed by TTC under the authority of this section by pledging the full faith and credit of the state to that payment if dedicated revenue is insufficient for that purpose.

SECTION 2. Requires the proposed constitutional amendment to be submitted to the voters at an election to be held November 3, 2009. Sets forth the required language of the ballot.