

BILL ANALYSIS

Senate Research Center

S.J.R. 42
By: Ogden
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.J.R. 42 proposes a constitutional amendment to allow the legislature to authorize the Texas Transportation Commission to designate a transportation finance zone in an area within two miles on either side of the center line of a state highway, with legislative review and approval. The state portion of the sales and use tax collected within the boundaries of a transportation finance zone may be deposited into a revolving fund and used for the sole purpose of paying the principal of and interest on obligations connected with the state highway located in the zone. The legislature is allowed to limit the amount of money deposited into the revolving fund. The enabling legislation is S.B. 1428 and the limit in the bill is \$250 million per year.

As proposed, S.J.R. 42 proposes a constitutional amendment authorizing the legislature to permit the Texas Transportation Commission, subject to legislative review and approval, to designate the area adjacent to a state highway project as a transportation finance zone and authorizing the revenue from the state sales and use taxes imposed in the zone to be deposited in a revolving fund and used to repay financial assistance provided from the fund for certain purposes.

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 Article III, Texas Constitution, by adding Section 68, as follows:

Sec. 68. TRANSPORTATION FINANCE ZONES. (a) Authorizes the legislature by general law to authorize the Texas Transportation Commission or its successor to designate as a transportation finance zone an area defined by general law that is adjacent to the right-of-way of an existing or proposed state highway project. Requires that the designation of an area as a transportation finance zone be reviewed and approved by the legislature before the designation may take effect.

(b) Authorizes the legislature by general law to authorize 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 to be deposited into a revolving fund authorized by law, if the sale or use is consummated within the boundaries of a transportation finance zone.

(c) Authorizes money collected within the boundaries of a transportation finance zone and deposited to the credit of a revolving fund under this section to only be used for the repayment of financial assistance provided from the revolving fund for highway projects within the transportation finance zone in which the taxes were collected as provided by law. Authorizes the legislature to limit the amount of money the comptroller of public accounts may deposit to the credit of the fund in any state fiscal year under this section.

SECTION 2. Requires the proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.