

AN ACT

relating to funding to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production, including money from county energy transportation reinvestment zones.

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

SECTION 1. Sections 222.1071(b), (f), (i), and (m), Transportation Code, are amended to read as follows:

(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 county [~~zone~~]; and

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

(f) 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

1 certainty the territory included in the zone;

2 (2) provide that the zone takes effect immediately on
3 adoption of the order or resolution designating an area and that the
4 base year shall be the year of passage of the order or resolution
5 designating an area or some year in the future;

6 (3) establish an ad valorem tax increment account for
7 the zone or provide for the establishment of a joint ad valorem tax
8 increment account, if applicable; and

9 (4) if two or more counties are designating a zone for
10 the same transportation infrastructure project or projects,
11 include a finding that:

12 (A) the project or projects will benefit the
13 property and residents located in the counties [~~zone~~];

14 (B) the creation of the zone will serve a public
15 purpose of the county; and

16 (C) details the transportation infrastructure
17 projects for which each county is responsible.

18 (i) The county may:

19 (1) use money in the tax increment account to provide:

20 (A) matching funds under Section 256.105; and

21 (B) funding for one or more transportation
22 infrastructure projects located in the county [~~zone~~];

23 (2) apply for grants under Subchapter C, Chapter 256[~~7~~
24 ~~subject to Section 222.1072~~];

25 (3) use one [~~five~~] percent of any grant distributed to
26 the county under Subchapter C, Chapter 256, for the administration
27 of a county energy transportation reinvestment zone, not to exceed

1 \$100,000 [~~\$250,000~~];

2 (4) enter into an agreement to provide for the joint
3 administration of county energy transportation reinvestment zones
4 if the commissioners court of the county has designated a county
5 energy transportation reinvestment zone under this section for the
6 same transportation infrastructure project or projects as another
7 county commissioners court; and

8 (5) pledge money in the tax increment account to a road
9 utility district formed as provided by Subsection (n).

10 (m) The commissioners court of a county may enter into an
11 agreement with the department to designate a county energy
12 transportation reinvestment zone under this section for a specified
13 transportation infrastructure project involving a state highway
14 located in the county [~~proposed zone~~].

15 SECTION 2. Sections [222.1072](#)(a) and (b), Transportation
16 Code, are amended to read as follows:

17 (a) A county may create [~~is eligible to apply for a grant~~
18 ~~under Subchapter C, Chapter 256, if the county creates~~] an advisory
19 board to advise the county on the establishment, administration,
20 and expenditures of a county energy transportation reinvestment
21 zone. The county commissioners court shall determine the terms and
22 duties of the advisory board members.

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

27 (1) up to three oil and gas company representatives

1 who perform a company activity or related service [~~activities in~~
2 ~~the county and are local taxpayers~~]; and

3 (2) two public members.

4 SECTION 3. Section 251.018, Transportation Code, as added
5 by Chapter 1372 (S.B. 1747), Acts of the 83rd Legislature, Regular
6 Session, 2013, is amended to read as follows:

7 Sec. 251.018. ROAD REPORTS. A road condition report made
8 by a county that is operating under a system of administering county
9 roads under Chapter 252 or a special law, including a report made
10 under Section 251.005, must include the primary cause of any road,
11 culvert, or bridge degradation if reasonably ascertained along with
12 a brief description of the degradation.

13 SECTION 4. Sections 256.101(3) and (4), Transportation
14 Code, are amended to read as follows:

15 (3) "Weight tolerance permit" means a permit issued
16 under Section 623.011 for [~~Chapter 623 authorizing~~] a vehicle
17 operating specifically in relation to the exploration,
18 development, or production of oil or gas [~~to exceed maximum legal~~
19 ~~weight limitations~~].

20 (4) "Well completion" means the completion, reentry,
21 or recompletion of a vertical or horizontal [~~an~~] oil or gas well.

22 SECTION 5. Section 256.103(b), Transportation Code, is
23 amended to read as follows:

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

26 (1) 20 percent according to weight tolerance permits,
27 determined by the ratio of weight tolerance permits issued in the

1 preceding fiscal year for the county that designated a county
2 energy transportation reinvestment zone to the total number of
3 weight tolerance permits issued in the state in that fiscal year, as
4 determined by the Texas Department of Motor Vehicles;

5 (2) 20 percent according to oil and gas production
6 taxes, determined by the ratio of oil and gas production taxes
7 collected by the comptroller in the preceding fiscal year in the
8 county that designated a county energy transportation reinvestment
9 zone to the total amount of oil and gas production taxes collected
10 in the state in that fiscal year, as determined by the comptroller;

11 (3) 20 [~~50~~] percent according to vertical well
12 completions, determined by the ratio of vertical well completions
13 in the preceding fiscal year in the county that designated a county
14 energy transportation reinvestment zone to the total number of
15 vertical well completions in the state in that fiscal year, as
16 determined by the Railroad Commission of Texas; [~~and~~]

17 (4) 30 percent according to horizontal well
18 completions, determined by the ratio of horizontal well completions
19 in the preceding fiscal year in the county that designated a county
20 energy transportation reinvestment zone to the total number of
21 horizontal well completions in the state in that fiscal year, as
22 determined by the Railroad Commission of Texas; and

23 (5) 10 percent according to the total number [~~volume~~]
24 of oil and gas waste disposal wells as defined by the Railroad
25 Commission of Texas [~~injected~~], determined by the ratio of the
26 total number [~~volume~~] of oil and gas waste disposal wells
27 [~~injected~~] in the last full [~~preceding fiscal~~] year for which the

1 Railroad Commission of Texas has a report for commercial disposal
2 wells in the county that designated a county energy transportation
3 reinvestment zone to the total number [~~volume~~] of oil and gas waste
4 disposal wells [~~injected~~] in the state in that [~~fiscal~~] year, as
5 determined by the Railroad Commission of Texas.

6 SECTION 6. Section 256.106, Transportation Code, is amended
7 to read as follows:

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

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

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

15 (3) provide an update on and brief description of the
16 status of all uncompleted transportation infrastructure projects;
17 and

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

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

24 SECTION 7. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 4025 was passed by the House on April 30, 2015, by the following vote: Yeas 137, Nays 2, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4025 on May 28, 2015, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4025 was passed by the Senate, with amendments, on May 26, 2015, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor