

1-1 By: Keffer (Senate Sponsor - Uresti) H.B. No. 4025
 1-2 (In the Senate - Received from the House May 4, 2015;
 1-3 May 4, 2015, read first time and referred to Committee on
 1-4 Transportation; May 14, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
 1-6 May 14, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4025 By: Huffines

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to funding to counties for transportation infrastructure
 1-22 projects located in areas of the state affected by increased oil and
 1-23 gas production, including money from county energy transportation
 1-24 reinvestment zones.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Sections 222.1071(b), (f), (i), and (m),
 1-27 Transportation Code, are amended to read as follows:

1-28 (b) A county, after determining that an area is affected
 1-29 because of oil and gas exploration and production activities and
 1-30 would benefit from funding under Chapter 256, by order or
 1-31 resolution of the commissioners court:

1-32 (1) may designate a contiguous geographic area in the
 1-33 jurisdiction of the county to be a county energy transportation
 1-34 reinvestment zone to promote one or more transportation
 1-35 infrastructure projects, as that term is defined by Section
 1-36 256.101, located in the county ~~[zone]~~; and

1-37 (2) may jointly administer a county energy
 1-38 transportation reinvestment zone with a contiguous county energy
 1-39 transportation reinvestment zone formed by another county.

1-40 (f) The order or resolution designating an area as a county
 1-41 energy transportation reinvestment zone must:

1-42 (1) describe the boundaries of the zone with
 1-43 sufficient definiteness to identify with ordinary and reasonable
 1-44 certainty the territory included in the zone;

1-45 (2) provide that the zone takes effect immediately on
 1-46 adoption of the order or resolution designating an area and that the
 1-47 base year shall be the year of passage of the order or resolution
 1-48 designating an area or some year in the future;

1-49 (3) establish an ad valorem tax increment account for
 1-50 the zone or provide for the establishment of a joint ad valorem tax
 1-51 increment account, if applicable; and

1-52 (4) if two or more counties are designating a zone for
 1-53 the same transportation infrastructure project or projects,
 1-54 include a finding that:

1-55 (A) the project or projects will benefit the
 1-56 property and residents located in the counties ~~[zone]~~;

1-57 (B) the creation of the zone will serve a public
 1-58 purpose of the county; and

1-59 (C) details the transportation infrastructure
 1-60 projects for which each county is responsible.

2-1 (i) The county may:

2-2 (1) use money in the tax increment account to provide:

2-3 (A) matching funds under Section 256.105; and

2-4 (B) funding for one or more transportation

2-5 infrastructure projects located in the county ~~[zone]~~;

2-6 (2) apply for grants under Subchapter C, Chapter 256~~[~~

2-7 ~~subject to Section 222.1072]~~;

2-8 (3) use one ~~[five]~~ percent of any grant distributed to

2-9 the county under Subchapter C, Chapter 256, for the administration

2-10 of a county energy transportation reinvestment zone, not to exceed

2-11 \$100,000 ~~[\$250,000]~~;

2-12 (4) enter into an agreement to provide for the joint

2-13 administration of county energy transportation reinvestment zones

2-14 if the commissioners court of the county has designated a county

2-15 energy transportation reinvestment zone under this section for the

2-16 same transportation infrastructure project or projects as another

2-17 county commissioners court; and

2-18 (5) pledge money in the tax increment account to a road

2-19 utility district formed as provided by Subsection (n).

2-20 (m) The commissioners court of a county may enter into an

2-21 agreement with the department to designate a county energy

2-22 transportation reinvestment zone under this section for a specified

2-23 transportation infrastructure project involving a state highway

2-24 located in the county ~~[proposed zone]~~.

2-25 SECTION 2. Sections 222.1072(a) and (b), Transportation

2-26 Code, are amended to read as follows:

2-27 (a) A county may create ~~[is eligible to apply for a grant~~

2-28 ~~under Subchapter C, Chapter 256, if the county creates]~~ an advisory

2-29 board to advise the county on the establishment, administration,

2-30 and expenditures of a county energy transportation reinvestment

2-31 zone. The county commissioners court shall determine the terms and

2-32 duties of the advisory board members.

2-33 (b) Except as provided by Subsection (c), the advisory board

2-34 of a county energy transportation reinvestment zone consists of the

2-35 following members appointed by the county judge and approved by the

2-36 county commissioners court:

2-37 (1) up to three oil and gas company representatives

2-38 who perform a company activity or related service ~~[activities in~~

2-39 ~~the county and are local taxpayers]~~; and

2-40 (2) two public members.

2-41 SECTION 3. Section 251.018, Transportation Code, as added

2-42 by Chapter 1372 (S.B. 1747), Acts of the 83rd Legislature, Regular

2-43 Session, 2013, is amended to read as follows:

2-44 Sec. 251.018. ROAD REPORTS. A road condition report made

2-45 by a county that is operating under a system of administering county

2-46 roads under Chapter 252 or a special law, including a report made

2-47 under Section 251.005, must include the primary cause of any road,

2-48 culvert, or bridge degradation if reasonably ascertained along with

2-49 a brief description of the degradation.

2-50 SECTION 4. Sections 256.101(3) and (4), Transportation

2-51 Code, are amended to read as follows:

2-52 (3) "Weight tolerance permit" means a permit issued

2-53 under Section 623.011 for ~~[Chapter 623 authorizing]~~ a vehicle

2-54 operating specifically in relation to the exploration,

2-55 development, or production of oil or gas ~~[to exceed maximum legal~~

2-56 ~~weight limitations]~~.

2-57 (4) "Well completion" means the completion, reentry,

2-58 or recompletion of a vertical or horizontal ~~[an]~~ oil or gas well.

2-59 SECTION 5. Section 256.103(b), Transportation Code, is

2-60 amended to read as follows:

2-61 (b) Grants distributed during a fiscal year must be

2-62 allocated among counties as follows:

2-63 (1) 20 percent according to weight tolerance permits,

2-64 determined by the ratio of weight tolerance permits issued in the

2-65 preceding fiscal year for the county that designated a county

2-66 energy transportation reinvestment zone to the total number of

2-67 weight tolerance permits issued in the state in that fiscal year, as

2-68 determined by the Texas Department of Motor Vehicles;

2-69 (2) 20 percent according to oil and gas production

3-1 taxes, determined by the ratio of oil and gas production taxes
3-2 collected by the comptroller in the preceding fiscal year in the
3-3 county that designated a county energy transportation reinvestment
3-4 zone to the total amount of oil and gas production taxes collected
3-5 in the state in that fiscal year, as determined by the comptroller;

3-6 (3) 10 ~~[50]~~ percent according to vertical well
3-7 completions, determined by the ratio of vertical well completions
3-8 in the preceding fiscal year in the county that designated a county
3-9 energy transportation reinvestment zone to the total number of
3-10 vertical well completions in the state in that fiscal year, as
3-11 determined by the Railroad Commission of Texas; ~~and~~

3-12 (4) 40 percent according to horizontal well
3-13 completions, determined by the ratio of horizontal well completions
3-14 in the preceding fiscal year in the county that designated a county
3-15 energy transportation reinvestment zone to the total number of
3-16 horizontal well completions in the state in that fiscal year, as
3-17 determined by the Railroad Commission of Texas; and

3-18 (5) 10 percent according to the total number ~~[volume]~~
3-19 of oil and gas waste disposal wells as defined by the Railroad
3-20 Commission of Texas ~~[injected]~~, determined by the ratio of the
3-21 total number ~~[volume]~~ of oil and gas waste disposal wells
3-22 ~~[injected]~~ in the last full ~~[preceding fiscal]~~ year for which the
3-23 Railroad Commission of Texas has a report for commercial disposal
3-24 wells in the county that designated a county energy transportation
3-25 reinvestment zone to the total number ~~[volume]~~ of oil and gas waste
3-26 disposal wells ~~[injected]~~ in the state in that ~~[fiscal]~~ year, as
3-27 determined by the Railroad Commission of Texas.

3-28 SECTION 6. Section 256.106, Transportation Code, is amended
3-29 to read as follows:

3-30 Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that
3-31 makes a second or subsequent application for a grant from the
3-32 department under this subchapter must:

3-33 (1) provide the department with a copy of a report
3-34 filed under Section 251.018;

3-35 (2) certify that all previous grants are being spent
3-36 in accordance with the plan submitted under Section 256.104; ~~and~~

3-37 (3) provide an update on and brief description of the
3-38 status of all uncompleted transportation infrastructure projects;
3-39 and

3-40 (4) provide an accounting of how previous grants were
3-41 spent, including any amounts spent on administrative costs.

3-42 (b) The department may use ~~[one-half of]~~ one percent of the
3-43 amount deposited into the fund in the preceding fiscal year, not to
3-44 exceed \$500,000 in a state fiscal biennium, to administer this
3-45 subchapter.

3-46 SECTION 7. This Act takes effect September 1, 2015.

3-47 * * * * *