

1-1 By: Bettencourt S.B. No. 2722  
1-2 (In the Senate - Filed March 13, 2025; March 27, 2025, read  
1-3 first time and referred to Committee on Transportation;  
1-4 April 22, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 6, Nays 3; April 22, 2025,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8	Yea	Nay	Absent	PNV
1-9	Nichols	X		
1-10	West		X	
1-11	Bettencourt	X		
1-12	Hagenbuch	X		
1-13	Hinojosa of Hidalgo	X		
1-14	Johnson		X	
1-15	King	X		
1-16	Miles		X	
1-17	Perry	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2722 By: Bettencourt

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

1-21 relating to the use of certain tolls and charges imposed by certain  
1-22 counties; authorizing a civil penalty.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter A, Chapter 284, Transportation Code,  
1-25 is amended by adding Section 284.014 to read as follows:

1-26 Sec. 284.014. RESTRICTION ON USE OF REVENUE FROM TOLLS AND  
1-27 OTHER CHARGES IN CERTAIN COUNTIES. (a) This section applies only to  
1-28 a county with a population of four million or more.

1-29 (b) Except as provided by Subsection (d), a county that  
1-30 imposes tolls or charges as otherwise authorized by this chapter  
1-31 may only use the revenues collected from the tolls or charges to:

1-32 (1) pay the costs of operating, expanding,  
1-33 maintaining, or administering a project;

1-34 (2) retire debt related to a project; or

1-35 (3) use or pledge revenues to pay or finance the costs  
1-36 of a project, including the costs to study, design, construct,  
1-37 maintain, operate, and pool a turnpike project or system, and to pay  
1-38 bonds or other obligations related to a project.

1-39 (c) Subsection (b) applies to any fees received by a county  
1-40 for operating a project of another entity but does not apply to any  
1-41 other revenue of a project that is collected by the county on behalf  
1-42 of another entity under an agreement with the entity.

1-43 (d) Of the revenues collected from tolls and charges that  
1-44 remain after paying the costs described by Subsection (b),  
1-45 including costs to establish reserves required by a bond instrument  
1-46 and to maintain ratings on bonds or other obligations related to a  
1-47 project:

1-48 (1) 30 percent of the amount remaining shall be  
1-49 distributed to the municipality that contains more than 40 percent  
1-50 of the number of lane miles of the project and may be used by the  
1-51 municipality only for the costs of providing law enforcement and  
1-52 other emergency services during accidents and disasters affecting a  
1-53 project of the county; and

1-54 (2) subject to Subsection (e) and except as provided  
1-55 by Subsection (f), 70 percent of the amount remaining shall be  
1-56 retained by the county and may be used only to pay costs related to a  
1-57 county road owned and maintained by the county.

1-58 (e) At least 95 percent of the amount retained by a county  
1-59 under Subsection (d)(2) must be allocated among all commissioners  
1-60 precincts based on the percentage of roads owned and maintained by

the county in each precinct, excluding freeways as defined by Section 541.302 and any road facilities for which a user must pay a toll, fee, or fare, according to the county's road log or maintenance schedule on September 1 of the fiscal year preceding the allocation.

(f) A county may allocate up to five percent of the amount retained under Subsection (d)(2) to a county department or project with countywide impact, as determined by the county, for a state, county, or municipal facility relating to a road, street, highway, or related facility, provided that amounts allocated under this subsection may not be used on a hike, bike, or trail facility unless the expenditure is necessary to comply with a state or federal requirement.

(g) A county that violates Subsection (b) is subject to a civil penalty. An independent auditor hired by a county to audit the county's annual financial report made to the commissioners court and to the district judges of the county under Section 114.025, Local Government Code, shall report any violation of Subsection (b) to the state auditor's office.

(h) The state auditor's office shall promptly investigate a report received under Subsection (g) to determine if the county violated Subsection (b). At the request of the state auditor's office, the attorney general shall file suit to collect a civil penalty. If the violation is:

(1) a first violation of Subsection (b), the amount of the civil penalty is an amount equal to 100 percent of the amount of revenues used by the county in violation of Subsection (b); or

(2) a second or subsequent violation of Subsection (b), the amount of the civil penalty is an amount equal to 110 percent of the amount of revenues used by the county in violation of Subsection (b).

(i) A county for which a civil penalty is imposed under Subsection (h) shall pay the penalty out of the general fund of the county.

(j) Notwithstanding any other law, a county for which a civil penalty is imposed under Subsection (h)(2) may not adopt a tax rate for the tax year following the tax year in which the penalty was imposed that exceeds the lesser of the county's no-new-revenue tax rate or voter-approval tax rate, as determined under Section 26.04, Tax Code, for that tax year.

(k) A civil penalty collected under this section shall be deposited in the state treasury to the credit of the state highway fund and may only be appropriated for transportation purposes.

SECTION 2. This Act takes effect September 1, 2025.

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