

By: _____ .B. No. _____

Substitute the following for _____B. No. _____:

By: _____ C.S.____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to categories of and funding allocation for
transportation projects by the Texas Department of
Transportation and local transportation entities.

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

SECTION 1. Subchapter P, Chapter 201, Transportation Code,
is amended by adding Sections 201.9901 and 201.9902 to read as
follows:

Sec. 201.9901. DEFINITIONS. In this subchapter:

(1) "Planning organization" means:

(A) a metropolitan planning organization; or

(B) for an area that is not within the
boundaries of a metropolitan planning organization, the
department district that serves the area.

(2) "Region" means the area for which a planning
organization develops plans under this subchapter.

(3) "Transportation official" means an official in a
political subdivision who has responsibility for planning and
implementation of transportation projects.

Sec. 201.9902. UPDATE TO TRANSPORTATION FUNDING CATEGORIES
AND ALLOCATION FORMULAS. (a) Not later than October 1, 2015,
the commission shall initiate a process to review the categories
and formulas adopted under Sections 201.991(b)(2) and 201.996.

(b) The review process must include an effort by the

1 department to seek the collective input of all planning
2 organizations in the state. The department shall convene
3 meetings as necessary to facilitate discussions among planning
4 organizations that will result in a consensus recommendation
5 among a majority of the planning organizations as to updated
6 funding categories and funding allocation formulas.

7 (c) Not later than May 1, 2016, the commission shall adopt
8 rules implementing updated funding categories and funding
9 allocation formulas. To the extent that the adopted categories
10 or funding allocation formulas differ from the consensus
11 recommendations of the planning organizations, the commission
12 must provide a detailed written explanation for the differences.
13 The explanation must be made available on the department's
14 Internet website.

15 (d) This section expires September 1, 2017.

16 SECTION 2. Subchapter P, Chapter 201, Transportation Code,
17 is amended by adding Sections 201.9911, 201.9921, 201.9931, and
18 201.9932 to read as follows:

19 Sec. 201.9911. PLANNING ORGANIZATION 10-YEAR PLAN. (a)
20 Each planning organization shall develop a 10-year
21 transportation plan for the use of the funding allocated to the
22 region. The department shall assist the planning organizations
23 by providing in a timely manner such information as is
24 reasonably requested by the planning organizations.

25 (b) The plan must identify the items described by Section
26 201.993(d) as applicable to the planning organization and the
27 funding of transportation projects in the region.

1 (c) The first four years of the plan shall be developed to
2 meet the transportation improvement plan requirements of 23
3 U.S.C. Section 134 or 135, as applicable.

4 (d) For an area that is not within the boundaries of a
5 metropolitan planning organization, the department district
6 shall develop the 10-year transportation plan with input from
7 municipal and county elected officials and transportation
8 officials in the region.

9 Sec. 201.9921. TEN-YEAR CASH FLOW PROJECTION. (a) Not
10 later than September 1 of each odd-numbered year, the
11 department's chief financial officer shall prepare and publish a
12 cash flow forecast for a period of not less than 10 years.

13 (b) The forecast must identify:

14 (1) the aggregate amount of all sources of funding
15 available for eligible transportation projects;

16 (2) the amount previously committed to eligible
17 transportation projects based on actions of the commission;

18 (3) the amount not committed to projects but that the
19 department anticipates allocating during the forecast period
20 through formulas adopted under Section 201.996;

21 (4) the amount the department anticipates allocating
22 during the forecast period through discretionary decisions of
23 the commission; and

24 (5) the sources of all funds projected to be
25 available during the forecast period, including bond proceeds,
26 and an estimation of debt service payments associated with the
27 bond proceeds.

1 (c) The first two years of the forecast must be based on
2 the appropriation of funds in the General Appropriations Act for
3 the department for that biennium.

4 Sec. 201.9931. PLANNING ORGANIZATION PROJECT SELECTION AND
5 PRIORITIZATION. (a) Each planning organization shall select
6 projects in its region and prioritize them using the criteria
7 developed under Section 201.9932.

8 (b) For an area not located within the boundaries of a
9 metropolitan planning organization, the applicable department
10 district shall select projects and prioritize them with input
11 from municipal and county elected officials and transportation
12 officials using the criteria developed under Section 201.9932.

13 (c) The department shall compile the project selections of
14 the planning organizations to develop the statewide
15 transportation plan in accordance with 23 U.S.C. Section 135.

16 Sec. 201.9932. PROJECT SELECTION CRITERIA. Each planning
17 organization shall develop its own project selection criteria,
18 which must include consideration of:

19 (1) projected improvements to congestion and safety;

20 (2) projected effects on economic development
21 opportunities for residents of the region;

22 (3) available funding, including locally generated
23 funding;

24 (4) effects on the environment, including air
25 quality;

26 (5) socioeconomic effects; and

27 (6) any other factors deemed appropriate by the

1 planning organization.

2 SECTION 3. Section 201.996, Transportation Code, is
3 amended by adding Subsection (d) to read as follows:

4 (d) Before transferring funds between categories by any
5 method outside the established formulas or before transferring
6 funds subject to discretion of the department, the commission
7 shall hold a public hearing on the transfer of those funds. Not
8 later than the 30th day before the date of a hearing held under
9 this section, the commission shall provide a written explanation
10 of the transfer, including the need and justification for the
11 deviation from the formula allocation or use of discretionary
12 funds.

13 SECTION 4. Subchapter P, Chapter 201, Transportation Code,
14 is amended by adding Section 201.9961 to read as follows:

15 Sec. 201.9961. USE OF ADDITIONAL REVENUE AND BOND PROCEEDS
16 FOR CERTAIN PROJECTS. (a) If money from the general revenue
17 fund or state highway fund is appropriated to the department for
18 the state fiscal biennium beginning September 1, 2015, in an
19 amount that exceeds the appropriation from those funds to the
20 department for the previous fiscal biennium, or if a
21 constitutional amendment providing additional money to the
22 department is adopted, the commission may use the additional
23 money to finance projects that would otherwise be financed using
24 proceeds from:

25 (1) the sale and issuance of bonds and other public
26 securities secured by the state highway fund under Section 49-n,
27 Article III, Texas Constitution, as proposed by H.J.R. 28, 78th

1 Legislature, Regular Session, 2003; or

2 (2) general obligation bonds issued under Section 49-
3 p, Article III, Texas Constitution.

4 (b) The commission shall determine whether the unused
5 proceeds from bonds described by Subsection (a) may be used to
6 finance projects, in addition to those allocated funding under
7 Section 201.996, that reduce congestion, increase capacity,
8 reduce tolls, or promote safety. The commission shall adopt
9 rules establishing criteria for projects to be considered
10 eligible for financing under this subsection.

11 (c) Not later than the 30th day before the date the
12 commission authorizes the use of money under this section, the
13 commission shall hold a public meeting to consider that
14 authorization.

15 (d) This section expires September 1, 2017.

16 SECTION 5. This Act takes effect immediately if it
17 receives a vote of two-thirds of all the members elected to each
18 house, as provided by Section 39, Article III, Texas
19 Constitution. If this Act does not receive the vote necessary
20 for immediate effect, this Act takes effect September 1, 2015.