

83RD LEGISLATIVE SESSION

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INTRODUCTION

The Texas Legislature convened on Tuesday, January 8, 2013 for the 83rd Regular Legislative Session ready to consider a wide variety of topics. Regular sessions of the Legislature occur in each odd-numbered year for 140 calendar days. The Texas Senate and Texas House of Representatives each has its own operating rules and deadlines to address legislation (bills) filed by its members. Each chamber uses committees made up of its membership to hear and process legislation.

This Texas Department of Transportation (TxDOT) legislative summary report highlights much of the transportation-related legislation passed during the 2013 regular session and three called sessions. The report serves as a guide to this legislation and includes a brief overview of each bill as well as the effective dates for the measures that passed. The "Bills by Number" section organizes these bills by their respective numbers.

During the 83rd Regular Session, state legislators filed 5,868 bills. Of these, TxDOT staff monitored more than 1,500 that affected either TxDOT specifically or Texas transportation in general. Throughout the regular session and three called sessions, Transportation Commissioners, TxDOT Administration and staff served as resource witnesses, providing expert testimony and background information about many of these bills.

TxDOT thanks the members of the Legislature, transportation stakeholders, government officials and the general public for their continuing interest and involvement in our state transportation system. Contributions by these parties are an invaluable part of the legislative process and have helped to address vital budget and policy concerns during the 2013 Legislative Session.

We hope that you will find this report to be a useful resource document, and we welcome your input, comments and suggestions to continue improving it in the future. If you have any questions about the information in this report, the State Legislative Affairs office stands ready to assist you. Please contact us at <http://www.txdot.gov/contact-us/form.html?id=sta-email>, and we will be glad to help.

For more complete information about full bill text, history, resolutions, amendments and final vote tallies, please visit the Texas Legislature Online at: <http://www.capitol.state.tx.us>.

TXDOT MISSION, GOALS AND PRIORITIES

TXDOT MISSION

Work with others to provide safe and reliable transportation solutions for Texas.

GOALS

- ❖ **Maintain a Safe System**
 - Objective: Reduce crashes and fatalities on the system through innovations, technology and public awareness
 - Objective: Maintain and preserve the transportation assets of the state of Texas
- ❖ **Address Congestion**
 - Objective: Partner with local officials to develop and implement congestion mitigation plans in Texas
- ❖ **Connect Texas Communities**
 - Objective: Prioritize new projects that will increase the state GDP and enhance access to goods and services throughout the state
- ❖ **Become a Best in Class State Agency**
 - Objective: Ensure the agency deploys its resources responsibly and has a customer service mindset
 - Objective: Focus on work environment, safety, succession planning and training to develop a great workforce

TXDOT PRIORITIES

- ❖ **Be the safest state department of transportation in the United States**
- ❖ **Develop and implement authorized Comprehensive Development Agreements (CDAs) and discuss the need for additional CDAs**
- ❖ **Develop innovative maintenance approaches that reduce costs and improve/preserve transportation system conditions**
- ❖ **Develop effective information systems**
- ❖ **Act as resource for transportation funding**
- ❖ **Implement congestion mitigation projects**
- ❖ **Further strengthen and enhance our relationship with MPOs, counties and other key stakeholders**



A MESSAGE FROM TXDOT EXECUTIVE DIRECTOR PHIL WILSON

The Texas Department of Transportation (TxDOT) is pleased to provide you with its 2013 legislative summary, an overview of important transportation legislation that passed during the regular and called sessions of the 83rd Texas Legislature.

As always, this year's work in the Capitol required a great deal of effort by TxDOT Administration and the State Legislative Affairs team. My thanks to the legislators, commission members, transportation stakeholders, TxDOT division and legislative staff and the people of Texas for their invaluable engagement in the transportation discussion. Every Texan depends on roads, bridges, rail, waterways and transit systems – infrastructure that keeps Texas strong and prosperous.



Our work at the Texas Capitol makes a difference, and TxDOT had the chance to assist legislators as they tackled challenging issues this session. Among the highlights was legislation to protect our TxDOT employees working on Texas highways, to assist TxDOT in speeding up the delivery of transportation projects, and to strengthen the state's toll authorities' ability to penalize habitual toll violators.

The following report summarizes the key transportation-related legislation that TxDOT monitored during the sessions. It is only a partial list of the thousands of bills passed during the regular legislative session and the three called sessions. This report is categorized by issue area and focuses on enacted legislation, but we have also included a few key bills that were unsuccessful, yet remain of particular interest to those in the transportation arena.

Please feel free to contact TxDOT should you require further information on these bills or other transportation legislation in which you have an interest. Continual communication is an essential part of TxDOT's overall efforts to serve the Texas public and is the key to building the framework of issues as we look ahead toward the 2015 regular session.

Thank you for all you do to help improve the lives of every Texan. It has been a pleasure to work with you and for you.

Phil Wilson

Executive Director
Texas Department of Transportation



2013 LEGISLATIVE SESSION OVERVIEW

REGULAR SESSION

In January 2013, as many legislative observers expected, the question of how to direct more money to transportation infrastructure was among a crowded list of important policy issues like public education and water infrastructure planning that faced the 83rd Regular Session of the Texas Legislature.

During the legislative session, Texas legislators introduced, amended and rejected thousands of bills. They also adjusted the state's two-year budget that they had previously approved in the 2011 session based on changes to Texas' revenue projections and other factors.

For TxDOT, this legislative session was particularly busy. Throughout the 140-day session, TxDOT leadership and staff worked to ensure that lawmakers remained informed about the challenges facing state transportation and the need to ensure that Texas continues to provide a safe and efficient transportation system that supports the state's current economic health and future prosperity.

In addition to the various legislative activities, in March, Texas Governor Rick Perry appointed Victor Vandergriff of Arlington to the Texas Transportation Commission, the five-member body that oversees TxDOT. Vandergriff replaced former Commissioner Bill Meadows of Fort Worth, who served on the commission since 2008. The Governor also reappointed current Commissioner Jeff Austin III of Tyler. Both Austin and Vandergriff will each serve a six-year term that ends in 2019. Commissioner Jeff Moseley was appointed on June 25, 2012, and his term will expire on February 1, 2017.

At sine die (the official end of the legislative session) on Monday, May 27, 2013, legislators had passed 1,437 bills, including some that produced important changes to Texas law to enhance safety for TxDOT's highway workers and to help TxDOT deliver transportation projects faster. Upon a bill's passage, the Legislature submits it to the Governor's Office for his review and either signature or veto within 20 days.

Among the important transportation topics that legislators tackled during this session were proposals: to finance the repair and maintenance of the state's existing roads and bridges, to finance new highway projects, to explore ways for state and local authorities to recoup the costs for road damage associated with oil and gas production, to increase enforcement to prevent driving on toll roads without payment, and to focus on ways to curb unsafe driving.

HIGHWAY FUNDING

Texans realize that transportation infrastructure is a major aspect in their lives, from the price we pay for our food to our drives to and from work, school or play. Our roadways, bridges, railroads, transit systems and waterways are essential aspects of Texas' transportation system, economic vitality and indeed, way of life. But today, that transportation infrastructure has reached a critical point.

As Texas continues to attract more people and businesses, our transportation infrastructure continues aging as well. Last year's passage of the federal reauthorization of surface transportation funding known as "Moving Ahead for Progress in the 21st Century" (also known as MAP-21), offered reforms that streamlined the project evaluation and funding process, but it still did not fully fund our surface transportation programs. MAP-21 merely transferred money

from the general fund to the Highway Trust Fund to maintain current funding levels. Without new revenue, the federal Highway Trust Fund will be insolvent in a few years.

Traditional transportation funding sources – primarily motor fuels taxes and registration fees – have not kept pace with mounting transportation demands. Inflation of construction costs combined with high-efficiency vehicles, among other factors, have driven down the purchasing power of transportation’s traditional funding sources. TxDOT has been addressing this problem with projects and initiatives to build and repair our infrastructure through innovative financing tools, including Comprehensive Development Agreements and Public Private Partnerships, approved by the Legislature in 2003. Nevertheless, more increased investment is necessary.

Over the last decade, the Legislature has provided TxDOT with bonding authority that has enabled TxDOT to continue improving and expanding the transportation system. But TxDOT will exhaust its capacity to issue debt, and TxDOT officials predict that letting will drop to less than \$3 billion for the state’s highway projects by 2016. To date, TxDOT has accrued nearly \$13 billion in debt, and TxDOT’s two-year, \$20.9 billion proposed budget will devote close to \$2.5 billion to servicing that debt. By 2015, the state bond programs will hit their limit.

Meanwhile, to keep pace with a growing population, TxDOT estimates that the cost for highway needs will reach \$4 billion per year — \$3 billion to add new highway capacity and \$1 billion to repair existing roads. Otherwise, TxDOT will be forced to scale back large road projects, jeopardizing future transportation projects that will take longer to complete and become even more costly in the end.

Throughout the 2013 session, legislators debated various transportation revenue proposals that included pulling money from the state’s Rainy Day Fund for transportation projects and proposing to end the annual diversion of the state’s gas tax revenue from the highway fund that goes to support the Texas Department of Public Safety. One bill that was eventually withdrawn, HB 3664 by Representative Darby, would have increased the state’s vehicle registration fee by \$30 per year.

Texas must find a sustainable solution to move it forward through this transportation funding crisis. Despite efforts to streamline and become more efficient, the state needs greater investment to rebuild our current infrastructure and improve our roads, rails and ports.


But by adjournment of the regular session, the Legislature had not addressed a long-term solution to create a funding stream for TxDOT to build and maintain roads. TxDOT had requested \$4 billion to meet the growing demand for new road projects. In contrast, the legislative budget writers allocated \$850 million in additional funding, with \$225 million of that amount reserved for county roads that have been adversely affected by energy development activities.

A transportation funding bill would later be one of the major issues that led Governor Perry to bring lawmakers back to work for three called sessions.

ROAD DAMAGE FROM INCREASED OIL AND GAS PRODUCTION

One of the most debated subjects this session was how to do deal with the road damage caused by the increase in oil- and gas-shale production around the state. The growth in the oversize and overweight truck traffic required for these activities has been blamed for the significant damage to roads and bridges on the state and county system, none of which were designed to withstand the volume of these heavy trucks.

According to a Texas A&M Transportation Institute study, if no action is taken, the result will be a \$1 billion impact to the state system.



In the Permian Basin, Barnett Shale and Eagle Ford Shale areas, where energy activities have spiked, local government officials sought legislative assistance to balance the substantial economic benefits of the surge in drilling with the needs of these communities to recover the costs to maintain and repair the damaged structures.

Lawmakers wrangled with various proposals for state and local authorities to recoup the costs for damages to roads. Ultimately, the Legislature passed HB 1025 by Representative Pitts and SB 1747 by Senator Uresti, which provided \$225 million to TxDOT to fix the state roads in areas affected by increased energy production activity and another \$225 million to repair county roads damaged by heavy truck traffic, respectively.

TRAFFIC SAFETY

Two years ago, during the 2011 legislative session, legislators added tow trucks to an existing state law designed to protect police, fire and EMS vehicles stopped on the side of the road with emergency lights activated. The law, known as “Move Over/Slow Down,” requires motorists to move out of the lane closest to the stopped vehicle (if there is more than one available lane in the same direction of travel) or slow to 20 miles below the posted speed limit.

In 2013, the Legislature passed SB 510 by Senator Nichols, aimed at protecting TxDOT employees while working on our roadways. SB 510, signed by Governor Perry, expanded existing law and will now include TxDOT vehicles. The law requires motorists to move over to the next lane or reduce their speed by 20 mph when approaching TxDOT vehicles on the side of the road with its lights flashing or other approved traffic safety equipment visible. Drivers who fail to move over or decrease their speed accordingly could face a fine up to \$500. The new law went into effect on September 1, 2013.

Members also discussed, but did not pass, legislation to reduce distracted driving, specifically the use of cell phones to send text messages while driving. The bill, HB 63 by Representative Craddick, sought to make texting on a handheld device while driving a vehicle a Class C misdemeanor offense and punishable by a fine of up to \$100 or up to \$200 if the person has been previously convicted of the same offense.

TOLL ENFORCEMENT

Legislators passed SB 1792 by Senator Watson, which provides for more stringent enforcement tools to pursue drivers who habitually use Texas toll roads yet fail to pay for their use. These violators accumulate scores of unpaid toll charges while ignoring written bill invoices and summons to appear at hearings. The bill authorizes the state’s toll entities, including TxDOT, to impose stricter punishments against such serial toll violators including the denial of their vehicle registration, prohibiting their future use of the toll roads and vehicle impoundment.

CALLED SESSIONS

Ultimately, a legislative impasse on transportation funding and other issues spurred Governor Perry to call members back to the Capitol for three called sessions in June, July and August. Called sessions may only last 30 days and the Governor designates the agenda or “call” of the special session. Legislators may only consider the items the Governor designates on the “call.”

1ST CALLED SESSION (MAY 27, 2013 – JUNE 25, 2013)

Although the initial called session call only included redistricting, on Monday, June 10, Governor Perry expanded the call to include transportation funding.

“Texas’ growing economy and population demand that we take action to address the growing pressure on the transportation network across the state,” Governor Perry said. “As we enjoy the benefits of a booming economy, we have to build and maintain the roads to ensure we sustain both our economic success and our quality of life.”

The primary transportation funding bill, Senate Joint Resolution 2 (SJR 2), was passed by the Senate on June 18 and passed the House with amendments on June 24 but died on the final evening of the first called session before the Senate could concur with the House’s amendments. SJR 2 directed a portion of oil and gas taxes that would have otherwise been deposited in the Economic Stabilization Fund (also known as the “Rainy Day Fund”) to the State Highway Fund to pay for transportation infrastructure projects.

The Rainy Day Fund is the state’s “savings account,” which is funded with oil and gas production taxes. The fund is intended to provide assistance during unexpected budget shortfalls, and to access it requires a two-thirds majority vote of the Legislature.

SJR 2 by Senator Nichols proposed a constitutional amendment to transfer half of the oil and gas production taxes currently deposited to the Rainy Day Fund to the State Highway Fund beginning in fiscal year 2015, but only if the balance of the Rainy Day Fund is above \$6 billion.

The 1st Called Session ended at midnight on June 25, and the bill had failed to pass before the end of that session. The next day, Governor Perry announced that the 2nd Called Session would begin on Monday, July 1.

2ND CALLED SESSION (JULY 1, 2013 – JULY 30, 2013)


In the 2nd Called Session, the Governor again placed the funding of transportation infrastructure projects on the members’ task list.

Although almost identical to SJR 2 from the previous called session, SJR 1 by Senator Nichols – rather than requiring a \$6 billion minimum Rainy Day Fund balance – would not allow transportation funding transfers until the Rainy Day Fund’s anticipated balance is equal to at least one-third of the Fund’s constitutional cap. According to the Legislative Budget Board, the estimated cap for the 2014–2015 biennium was \$14.4 billion as of April 2013.

HJR 2 by Representative Pickett proposed a constitutional amendment to provide for the:

- Revenue from motor fuel taxes to be used solely for constructing, maintaining and acquiring rights of way for certain public roadways and
- Transfer of certain general revenue to the Economic Stabilization Fund and the available school fund.

HJR 2 also allowed for the use of oil and gas severance taxes to replace the portion of the state motor fuels tax that is currently dedicated to public education and devote all of the motor fuels tax to transportation.



Both SJR 1 and HJR 2 would have required voter approval in a statewide referendum. House and Senate members attempted to reach a compromise deal that could pass both chambers. In the end, neither proposal survived amidst lawmakers' concerns about the permanency of the funds diverted away from the Rainy Day Fund and whether the measures proposed would raise the revenue needed to meet mounting transportation needs.

On July 30, with the lack of funding threatening to jeopardize Texas' future ability to expand its roadway system, Governor Perry released a statement calling the Legislature's failure to pass the latest deal "disappointing" and called lawmakers back for a 3rd Called Session to deal specifically with funding transportation infrastructure.

3RD CALLED SESSION (JULY 30, 2013 – AUGUST 5, 2013)

On August 5, after nearly seven months in Austin for a regular session and two 30-day called sessions, the House and Senate ended its 3rd Called Session with a bill and a proposed constitutional amendment that could bolster spending for transportation projects statewide.

With transportation being the only item left on the agenda, lawmakers in both chambers moved quickly to pass HB 1 and SJR 1 in a deal that could provide nearly \$1.2 billion per year in transportation funding by directing half of the money currently destined for the Economic Stabilization Fund into the State Highway Fund. HB 1 outlines the mechanism and specific details for when the funds are transferred and how they are spent, while SJR 1 is a proposed constitutional amendment that authorizes this direction of funds.

HB 1 by Representative Pickett creates a joint legislative committee that would decide a minimum balance for the Economic Stabilization Fund every two years and the direction of funding to transportation projects would stop if the fund falls below that level. Within the first 45 days of every legislative session, legislators could vote whether or not to alter the minimum balance. The bill also requires TxDOT to identify \$100 million in savings and use that money to reduce its long-term debt. HB 1 goes into effect upon the ratification of SJR 1.

Because the Economic Stabilization Fund was created by a constitutional amendment, SJR 1 by Senator Nichols proposed amending the Texas State Constitution to allow for HB 1. It passed both chambers of the Legislature and will be before Texas voters on November 4, 2014.



TEXAS TRANSPORTATION FORUM

February 17-19, 2013
Austin, Texas

Taking place in mid-February, the 8th Annual Texas Transportation Forum brought together over 1,400 local, regional and state leaders, as well as national experts, to discuss issues critical to the safety and efficient movement of people and goods across the state.

The timing of this year's conference lined up perfectly with the early excitement surrounding the 83rd Legislative Regular Session. Seizing on the opportunity to talk about critical policy needs and potential solutions in front of an engaged and informed audience, TxDOT set the stage for meaningful policy discussion.

A panel dedicated to discussing state legislative affairs capped off the first day of the conference. State Senators Juan "Chuy" Hinojosa and Kevin Eltife joined State Representatives Larry Phillips and Larry Gonzales for an in-depth discussion on all things transportation with moderator Rodger Jones of the Dallas Morning News. The conversation focused mainly on the different transportation funding options available. Senator Eltife created multiple headlines when he said that Texas had "maxed out its credit card" and should have raised taxes ten years ago to fund TxDOT, contending that taxes can actually be the conservative thing to do.

At breakfast on the second day of the conference, State Senator Robert Nichols, Senate Transportation Committee Chairman, delivered the keynote address. Senator Nichols joined his colleagues in focusing his remarks on various transportation funding issues. He expressed his concern that traditional funding sources cannot keep up with the projected cost of maintaining the current Texas highway system and that the state has reduced its prioritization of transportation, as seen through the budgeting process.

Senator Nichols outlined five characteristics necessary for a successful transportation funding source: 1) predictable; 2) constitutionally dedicated; 3) transportation-related; 4) independent of the fuel source; and 5) adjustable for inflation.

Comprehensive Development Agreements (SB 1730)

SB 1730 authorizes TxDOT to enter into a comprehensive development agreement (CDA) for a non-tolled state highway improvement project authorized by the Texas Legislature.

In Texas, the term “comprehensive development agreement” (CDA) refers to the tool that TxDOT uses to enable private development by sharing the risks and responsibilities of design and construction. A CDA can include provisions assigning the financing of the design, development, construction, finance, maintenance, extension, expansion and operation to a private-sector developer.

Typically, Texas has used two types of CDAs to deliver major projects: 1) a design-build model in which TxDOT contracts with a private-sector developer to design and build the project while the financing, operations and maintenance responsibilities of the project remain with TxDOT; and 2) a privately funded concession. The mechanism to finance CDAs in Texas has been a combination of public funds, tolls, and private equity, while other states have funded CDA-type contracts through other revenue streams such as sales taxes or ad valorem taxes.

The primary advantage of a CDA is the competitive selection process that it provides for developing regional, or even larger, projects. Also, because multiple tasks can be going on simultaneously, CDAs can accelerate the construction schedule, thereby delivering a transportation project faster, clearing the way for a number of projects to move forward and helping Texas’ most-congested areas ease their traffic woes.

In 2011, during the 82nd Legislature, lawmakers gave TxDOT and regional mobility authorities (RMAs) project-specific CDA authority within SB 1420, TxDOT’s sunset bill. That year, SB 1420 authorized TxDOT for seven CDA projects and gave two RMAs (Central Texas Regional Mobility Authority and Cameron County Regional Mobility Authority) and TxDOT the CDA authorization for a total of four projects.

During the 83rd Legislature, lawmakers built on previous CDA successes by passing SB 1730 and continuing this project-specific approach to granting CDA authority.

What the Bill Does:

SB 1730 grants authorization for up to 12 TxDOT CDA projects (six new and six previously authorized) and grants either TxDOT or an RMA the CDA authority for the 10 remaining projects (six new and four previously authorized). TxDOT or an RMA may also enter into a CDA for a tolled or non-tolled state highway improvement project authorized by the Legislature.

This year, legislators also granted CDA authority to the Alamo Regional Mobility Authority, Camino Real Regional Mobility Authority, Hidalgo County Regional Mobility Authority and North East Texas Regional Mobility Authority.

SB 1730 also amends the list of specific projects (named in the legislation) for which TxDOT or an RMA can enter into a CDA and extends the expiration date for this CDA authority for these projects by two years to fiscal year 2017.

TxDOT Podcast

The TxDOT Podcast is a weekly episodic series that averages several hundred hits per month on its website: www.txdot.gov/inside-txdot/media-room/podcast.html. New episodes are posted each Friday afternoon.

As technology has evolved in recent years, studies have shown that younger drivers do not rely on the traditional media (e.g., TV, radio and newspapers, etc.) for their news. In response, TxDOT has started using social media channels, such as Facebook, Twitter and YouTube, to broadcast the latest transportation news, traffic/work zone safety updates and transportation-related events.



In 2007, TxDOT also became one of the first state DOTs to begin “podcasting” as a way for TxDOT to reach the widest audience possible and connect with the public. That year, TxDOT created the TxDOT Podcast as yet another way for Texas’ growing population to obtain transportation-related news and information. Although it has been around for years, a “podcast” is a digital media file, either audio or video, that can be downloaded to your computer and then transferred to an iPod or other types of digital media players.

The TxDOT Podcast format is a traditional “radio interview” style in which TxDOT Public Information Officer Larry Krantz interviews a leader in the transportation industry about a topic of interest to the general traveling public. Previous guests have included former U.S. Secretary of Transportation Ray LaHood, as well as former secretaries Norman Mineta and Mary Peters, Federal Highway Administrator Victor Mendez, National Highway Traffic Safety Administrator David Strickland, former House Majority Leader Dick Gephardt, former Pennsylvania Governor Ed Rendell, business magnate T. Boone Pickens and others.

During this legislative session, the TxDOT Podcast produced seven episodes that featured members of the 83rd Texas Legislature: Senators Kirk Watson, Glenn Hegar, Bob Deuell and Robert Nichols and Representatives Drew Darby, Armando Martinez and Joe Pickett.



Streamlining the Environmental Review Process (SB 466)

SB 466 will expedite the development and construction of highways and other transportation infrastructure projects by reducing the amount of the time it takes TxDOT to obtain the approval of environmental documents mandated by the National Environmental Policy Act of 1969 (NEPA) and other federal laws.

How NEPA Works:

The federal government initially enacted NEPA to promote a national policy that protected the environment and raised public awareness about the importance of natural resources to the nation. NEPA applies to project decisions or funding made by all federal agencies, including the Federal Highway Administration (FHWA). Any federal project or a state or locally funded project requiring a federal action must meet NEPA requirements. TxDOT must comply with NEPA and the environmental procedures established by the FHWA.

NEPA requires federal agencies to analyze a project's potential impact on the human and natural environment before spending federal dollars and to involve the public in government decisions. It also requires that agencies prepare environmental documents, such as Draft and Final Environmental Impact Statements (DEIS and FEIS), that address the impacts associated with a transportation project and avoid, minimize, or mitigate those impacts.

There are numerous federal environmental laws that states must address, but NEPA provides the umbrella process for all of these laws. It incorporates several other federal laws that address specific environmental resources, such as endangered species, water and air and laws that address certain human resources. At the same time, each state also has its own environmental laws and regulations that apply to infrastructure projects.

Congress originally enacted NEPA to streamline the reviews, regulations and regulatory agencies involved in a given project as well as to provide a way for the public to learn about projects, their impacts and the government's decision making process. The NEPA process was supposed to result in faster, more transparent and more informed decision making at the federal level. However, complying with NEPA regulations became a lengthy process that postponed the construction of infrastructure projects for many years, particularly complex projects.

Currently, state DOTs must submit environmental documents for projects using federal funds, or projects otherwise requiring federal approval, to the FHWA. The FHWA then reviews and approves the documents under the NEPA requirements.

In 2005, Congress authorized a pilot project that gave five states the option to adopt NEPA assignment authority. As a result of legislation passed by the California legislature, the FHWA granted the California Department of Transportation (Caltrans) the authority to review and approve NEPA documents Caltrans has since been able to use that authority to reduce the amount of time required for certain environmental reviews and has expedited the construction of transportation projects by as much as 25 percent.

In 2011, the Texas Legislature enacted environmental reform legislation as an essential first step in reducing transportation project delays associated with environmental reviews. Those reforms required TxDOT to establish deadlines for environmental reviews and authorized TxDOT to pay the FHWA, the U.S. Fish and Wildlife Service and other federal agencies to hire additional staff to process environmental reviews.

The Moving Ahead for Progress in the 21st Century Act (MAP-21) passed in 2012, allowed the U.S. Department of Transportation (USDOT) to assign to all state departments of transportation federal authority pursuant to its duties under NEPA and other federal environmental laws. But to assign the responsibility for NEPA review and approval, state legislation was needed that permitted TxDOT to assume the USDOT responsibilities specific to this environmental review process.

What the Bill Does:

SB 466, authored by Senators Juan “Chuy” Hinojosa and Robert Nichols and sponsored in the House by Representative Linda Harper-Brown, amended the current Transportation Code to authorize TxDOT to assume the responsibilities of the USDOT under NEPA and other federal environmental laws.

SB 466 fulfills the federal requirements concerning the terms of assignment agreements, including the requirement that the state waive sovereign immunity from suit in federal court for its NEPA decisions, which will enable TxDOT to obtain authority from FHWA to review and approve environmental documents. This means that under an assignment agreement, if a lawsuit is filed to block a transportation project, TxDOT would be the entity defending the approval of the NEPA document.

It authorizes TxDOT to enter into agreements with the U.S. Secretary of Transportation that designate categorical exclusions (CEs) from federally required environmental assessments or environmental impact statements for transportation projects. Neither are required for CEs, because they do not involve significant environmental impacts.

SB 466 also authorizes the Texas Transportation Commission to adopt rules to implement the provisions of this bill and to adopt relevant federal environmental standards as the Texas standards for the program responsibilities that TxDOT would assume.

SB 466 does not affect the number or the nature of federal environmental requirements but significantly improves the efficiency of the environmental review process for federally funded Texas transportation projects. It allows TxDOT to complete environmental reviews in-house, instead of sending the required environmental documents to the local FHWA office in Texas, which has less available staff to review and approve those documents.

With the flexibility of an expedited process, TxDOT expects to greatly improve project delivery for transportation improvements throughout the state.



Funding Repairs to Roads Damaged by Energy Development Activities (HB 1025 and SB 1747)

State legislators approved critical funding to repair roads in the Eagle Ford Shale, Permian Basin and other energy development areas where roads have been damaged by overweight trucks necessary for oil and gas production activities.

In the past decade, the wind energy and shale industries have flocked to rural Texas communities to engage in exploration and production activities. For communities such as Eagle Ford Shale, Barnett Shale and the Permian Basin, the so-called “shale counties,” this influx sparked an economic boom. This boom has meant more local jobs, more sales, higher sales tax revenues, as well as increased property taxes and property values. At the same time, however, these communities have discovered that these benefits have come at a price that they cannot afford.

Energy exploration and production requires the use of a large amount of heavy trucks, many of which are classified as oversize and overweight vehicles. Over time, the high volume of heavy truck traffic has contributed to increased damage to transportation infrastructure (state highways, county roads, city streets and bridges) that was not designed to support the weight or frequency of these legally loaded vehicles. And this damage has created traffic safety hazards for drivers leading to an increase in crashes and fatalities.

Pavement is designed to carry the amount of traffic that is expected to travel across that roadway over a specific period of time, typically 20 years, without significant deterioration or damage. But the high number of trucks driving through the area daily means pavement has been consumed at a much faster rate than expected under the original pavement design, accelerating the pavement’s deterioration and reducing the life of load-zoned roads and bridges.

According to a Texas A&M Transportation Institute (TTI), “The development of a gas well in the Barnett Shale can generate truck traffic equal to putting 8 million cars on the surrounding roads.”

Bridges are affected by heavy trucks as well. Many of these vehicles surpass the vertical clearance under some highway bridges and the damage is expensive to repair and can require them to be closed to traffic for long periods of time.

State, county and local officials have joined with the energy industry in search for a mutually acceptable solution that acknowledges the positive economic benefits brought by these activities yet ensures the safety of drivers and protects our infrastructure. Yet rebuilding a paved road can cost more than \$1 million per mile.

A 2012 study by the TTI for TxDOT analyzed the impacts of energy production activities on nearly 20,000 miles of farm-to-market roads in the affected areas. The study was later expanded to include county roads in those areas as well.

The report cited potential ways to fund the needed repairs, including revising the property tax code to

strengthen revenue collection and donation agreements with energy companies. Ultimately, the issue was left for state lawmakers to address in the legislative session.

Senators Uresti and Hegar wrote in an editorial: "...Because of the great benefits the oil boom is bringing to working Texas families, counties and communities and because of what it means to our economy and the freedom granted by mobility, we must plan carefully for the future. We don't want to kill the golden goose that has brought so much prosperity and that means taking care of our roads."

At the start of the session, TxDOT was directed to submit \$1.6 billion in its Legislative Appropriation Request – \$400 million to repair the existing infrastructure and \$1.2 billion to reinforce existing roads. As the session wore on, legislators, along with county officials and industry representatives, discussed potential solutions including accessing the state's Rainy Day Fund or directly billing the energy companies for the costs of repair.



But as the session neared adjournment, lawmakers had not yet passed any new funding measures to pay for these repairs. However, a near-term fix emerged. The Legislature approved HB 1025, a supplemental appropriations measure that included \$450 million to make improvements to affected roads.

In May, during the final few days of the regular session, members continued their negotiations and approved SB 1747, a measure to allow counties to receive funding for repair to local infrastructure. To qualify, each affected county must create a county energy transportation reinvestment zone (CETRZ) that would apply both property tax and sales tax revenue toward transportation funding.

What the Bills Do

HB 1025 is a supplemental appropriations bill that makes funding increases and reductions in fiscal year 2013 for a number of state agencies, including TxDOT. Under the new law, TxDOT received a \$450 million appropriation increase out of the General Revenue Fund. These funds will be used for infrastructure repairs in energy sectors around the state. This amount includes \$225 million that was transferred to State Highway Fund 6 for projects within the state highway system and \$225 million to be transferred to the Transportation Infrastructure Fund for county transportation projects.

SB 1747 allows regions to collectively invest in their infrastructure by establishing a state Transportation Infrastructure Fund (TIF) to administer a grant program CETRZs to address the damage to roads, bridges and other infrastructure caused by oil and gas exploration.

Dedicated in the state treasury, this TIF would consist of federal grants, state matching funds, legislatively-appropriated money, gifts and grants, fees paid into the fund and investment earnings on the money deposited into the fund.

A county must designate an area as a CETRZ. If a county decides that an area was adversely affected by oil and gas production activities, the county can determine the amount of the tax increment in that area.

A commissioner's court will dedicate a portion of the captured appraised value of the real property in the CETRZ to infrastructure projects and comply with TxDOT regulations on CETRZ funding.

TxDOT will administer a grant program for infrastructure projects in a county with one or more energy CETRZs, provided that the TIF had a positive balance. TxDOT has developed criteria for awarding grants, and the Texas Transportation Commission has adopted them to reflect the program requirements.

Update

On July 27, 2013, the Texas Transportation Commission approved \$225 million to fund road work in the state's energy production areas that have experienced increased traffic safety problems and significant road damage caused by the heavy volume of overweight trucks traveling across these areas. The funding, approved by the Texas Legislature, will allow TxDOT to begin repair work.

TxDOT Executive Director Phil Wilson said that "While increased energy exploration and production activities are yielding tremendous economic benefits for Texas, the unprecedented volumes of heavy traffic are contributing to crashes and fatalities."

In 2012, crashes in Texas' five energy sectors (Eagle Ford Shale, Permian Basin, Barnett Shale, Granite Wash and Haynesville/Bossier), rose by 6 percent over the previous year, while fatalities rose 13 percent.

"We are pleased that our lawmakers saw fit to fund some of these safety-focused rehabilitation and repair projects," said Mr. Wilson, "and we hope resources that enhance safety will continue to be a priority as our energy industry thrives."

Increasing Enforcement for Nonpayment of Tolls (SB 1792)

SB 1792 provides enforcement remedies for toll authorities targeted at habitual toll violators.

For years, some toll authorities in Texas have been unable to collect millions of dollars in unpaid tolls because they lacked effective enforcement tools to recoup those delinquent payments. While the majority of drivers who choose to use the state's toll roads pay their tolls, a significant percentage of them do not. These toll violators habitually use toll roads without paying, amassing substantial amounts in unpaid tolls and administrative fees, money that toll authorities need to maintain, monitor and ensure the safety of those toll facilities.

Despite multiple bill invoices from toll authorities and the issuance of summons to appear at hearings, these habitual violators continue to refused to make payment. Statewide, Justice of the Peace courts had a backlog of 374,000 toll violation enforcement cases. The Dallas and Fort Worth metroplex area has one of the state's largest toll violator problems, with more than 100,000 drivers, each of whom has accumulated more than 100 unpaid violations. As of November 2012, these toll scofflaws owed the North Texas Toll Authority (NTTA) more than \$370 million in total unpaid tolls.



But things will soon be different following new legislation that affects how toll authorities can pursue toll scofflaws who choose to keep ignoring the rules.

Despite multiple bills being filed for various toll authorities during the legislative session, SB 1792 emerged as the single piece of legislation that would cover all enforcement remedies available to the various toll authorities, including the NTTA, regional mobility authorities and TxDOT's Toll Operations Division to require habitual violators to pay. The Harris County Toll Road Authority (HCTRA) in Houston was the only toll authority in Texas not covered under this legislation. HCTRA functions as a county entity and already has an effective system of its own to deal with toll scofflaws.

What the Bill Does

SB 1792 defines a “habitual violator” as someone who has 100 or more unpaid tolls in within a period of a year and has been issued at least two nonpayment notices. If their accounts remain unpaid, the new law adds remedies aimed directly at the worst offenders, such as:

- Blocking vehicle registration;
- Prohibiting the operation of a vehicle owned by a habitual toll violator on toll roads (Class C misdemeanor); and
- Impounding the vehicle upon proof of repeated violation of the above prohibition.

Under the law, toll project entities can make a determination that a registered owner of a vehicle is a habitual violator. But toll authorities must follow certain due process policies and procedures to notify the registered owner and allow that person to request a hearing in a Justice of the Peace court before the remedies take effect. Toll authorities may also seek these same remedies against lessees of vehicles and owners of vehicles not registered in Texas.

SB 1792 also allows TxDOT to publish the names of toll violators on its website. TxDOT began implementation of this provision by posting the top 25 toll scofflaws on its website on October 17, 2013.

Expanding Move Over/Slow Down Coverage to TxDOT (SB 510)

SB 510 adds TxDOT vehicles with flashing lights to the “move over or slow down” law. Previous legislation already applied to emergency vehicles and tow truck operators. Now all drivers, when approaching a stationary emergency or TxDOT vehicle with flashing lights are required to move over into the adjacent lane if it is safe to do so or to reduce their speed.

Working near fast-moving traffic is one of the dangers that TxDOT highway workers face daily as they respond to emergencies, remove debris from roadways, assist Texas motorists and handle other roadside hazards. These TxDOT employees are working hard to help fulfill TxDOT’s mission to ensure the safety of both the traveling public and emergency responders, but their own safety is important as well.



Since 2000, when Kansas passed the country’s first “Move Over” law, every state has followed suit, citing similar concerns for the safety of their police, firefighters, paramedics, tow truck drivers and other roadside emergency responders, and highway maintenance workers.

In 2003, the Texas Legislature passed its first “Move Over” law, requiring motorists to move lanes or slow down when approaching emergency vehicles (police, fire and EMS) with lights activated near the roadway. In 2011, lawmakers amended that law to include tow trucks working on the side of the road with emergency lights activated. The current legislation now expands the law’s protection to the state’s highway workers.

The reason behind the law’s expansion is simple: roadway crashes are the leading cause of occupational injury and fatalities. The job of maintaining Texas roads has become more dangerous than ever as traffic volumes and highway speeds have increased over the years. Many TxDOT employees work on highways just feet away from speeding, impaired or potentially distracted drivers.

Since the 1930s, 102 TxDOT workers have lost their lives after being struck by a motorist while in a work zone or near the shoulder of a roadway. Tragically, during the last 20 years, the TxDOT family has lost seven members in work-related roadway fatalities.

According to TxDOT Deputy Executive Director and Chief Engineer, John Barton, P.E., “Just a few seconds of inattention can cause death or serious bodily injury to these public servants. This legislation provides added protection for these individuals who are working hard on the side of the road and keeping the public safe.”

Barton added, “It is imperative to provide a safer work environment for highway maintenance and construction workers on Texas roadways. ‘Move Over’ laws help create a distinctive driving culture, where motorists move over or slow down when flashing lights are observed on the shoulder, creating a safer roadway environment for drivers and highway workers around the state so that we may continue to provide a safe and reliable transportation system.”

What the Bill Does:

SB 510 amends the existing law to add TxDOT vehicles to the list of those that motorists must approach cautiously when seen on or near a roadway. Effective September 1, 2013, motorists approaching a stationary TxDOT highway maintenance or construction vehicle with overhead lights activated, are required to move over into the next nearest lane to safely pass the vehicle, or if unable to pass, must then slow down to 20 miles below the posted speed limit.

Those who fail to comply with the new law face a misdemeanor offense punishable by a fine up to \$200 and up to \$500 if property damage occurs. Violations that result in body injury are considered a Class B misdemeanor punishable by a fine up to \$2,000 and could include a jail term of up to 180 days.

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APPROPRIATIONS

HOUSE BILLS

HB 6

Creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue and the exemption of unappropriated money from use for general governmental purposes

Author: Representative John Otto
Sponsor: Senator Tommy Williams

Effective Date: June 14, 2013

HB 6 abolishes all funds, accounts and revenue dedications created or recreated by the 83rd Texas Legislature, unless specifically exempted under separate sections of the bill. Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill requires the Comptroller of Public Accounts, as directed by the Legislature, to make reductions in the dedicated accounts in the amounts by which estimated revenues and unobligated balances exceed appropriations enacted by the 83rd Legislature. Dedicated revenues estimated to exceed amounts appropriated by the 83rd Legislature are available for certification through August 31, 2015.

This bill's provisions prevail over any other act of the 83rd Legislature, regardless of the date it was enacted, that purports to dedicate or rededicate a fund, account, or revenue in the State Treasury.

HB 6 also defines the state agencies to which HB 6 would apply and provides for the abolition of new or re-created funds, accounts and revenue dedications, unless they were specifically exempted within the bill.

Exemptions

To comply with the Texas Constitution or federal requirements, HB 6 does exempt certain dedications, funds and accounts that were enacted before the 83rd Legislature.

The 83rd Legislature created several funds, accounts and dedications of revenue that are also exempt from abolition, including:

Revenue to the credit of the State Highway Fund;

Accounts for receipt of fees for special license plates or for receipt of related revenue, gifts, or grants;

Federal funds, for which separate accounting is required by federal law;

New dedications or uses of dedicated funds, accounts and revenues that are authorized by an act of the 83rd Legislature, Regular Session; and

Transportation Infrastructure Fund created by SB 1747.

HB 6 exempts all trust funds and bond funds created by the 83rd Legislature, except that all trust funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill also exempts funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 83rd Legislature, if approved by the voters.

Impact to TxDOT

Due to the exemptions, there is no impact to TxDOT or the funds, revenues and accounts that it uses.

HB 7

Amounts, availability and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; making an appropriation

Author: Representative Drew Darby
Sponsor: Senator Tommy Williams

Effective Date: June 14, 2013

HB 7 reduces the account balances of the General Revenue-Dedicated Funds (GR-D) and the reliance on these funds for budget certification. The bill requires the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation and accumulation of GR-D accounts. It also requires the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans to further reduce reliance for the succeeding six years.

HB 7 allows the interest and other earnings that accrued on GR-D Funds available for certification to also be available for any general governmental purpose and deposited into the General Revenue Fund.

The bill also expands the purposes for which the Texas Railroad Commission may use funds in the Oil and Gas Regulation and Cleanup Fund to include certain activities that promote the use of alternative fuels.

Impact to TxDOT

No direct effect to TxDOT. However, TxDOT should monitor Texas Railroad Commission rules on the promotion of alternative fuels in case TxDOT's alternatively fueled vehicles take part in the program.

SENATE BILLS

SB 1

Appropriations for the 2014-2015 biennium

Author: Senator Tommy Williams

Sponsor: Representative Jim Pitts

Effective Date: September 1, 2013

SB 1 appropriates \$197 billion from all fund sources for the 2014-15 biennium. This amount is a 3.7 percent increase from the \$189.9 billion provided for the 2012-13 biennium. General Revenue Funds, including funds dedicated within the General Revenue Fund, also increased to \$101.4 billion for the 2014-15 biennium, an 8.1 percent increase from the \$93.8 billion funded in the 2012-13 biennium.

Impact to TxDOT

SB 1 provides \$17.4 billion for transportation planning and design, right-of-way acquisition, construction and maintenance and preservation. This total includes:

\$8.2 billion for the maintenance and preservation of the existing transportation system (a \$1.5 million increase from the 2012-13 biennium);

\$6.7 billion for construction and highway improvements (a \$1.2 billion increase);

\$1.6 billion for transportation system planning, design and management; and

\$0.9 billion for right-of-way acquisition (a \$1.1 billion decrease).

A total of \$2.4 billion (a \$756 million increase from the 2012-13 biennium) will be used for debt service payments and other financing costs for TxDOT's borrowing programs. This amount includes \$1.9 billion from the State Highway Fund and the Texas Mobility Fund, \$368.4 million in General Revenue Funds and \$125.7 million in federal funds from Build America Bond interest payment subsidies.

TxDOT will also receive \$265.3 million in State Highway Funds for transportation needs through a method-of-finance swap at the Texas Department of Public Safety (TxDPS), reducing TxDPS' use of State

Highway Funds to pay for its operations. Another bill, HB 1025, provides for a similar swap of \$134.7 million.

In total, \$400 million in additional State Highway Funds for the 2014-15 biennium are available. The \$134.7 million from HB 1025 were not appropriated to TxDOT during the 83rd Regular, First Called, Second Called, or Third Called Sessions.

(Please see also HB 1025, the supplemental appropriations bill, in the Energy Sector section)

TRANSPORTATION FUNDING

HOUSE BILLS

HB 1 (3rd Called Session)

Transportation funding, expenditures and finance and the preservation of a sufficient balance in the economic stabilization fund; making an appropriation

Author: Representative Joe Pickett

Sponsor: Senator Robert Nichols

Effective Date: On the adoption of a constitutional amendment (SJR 1) at an election to be held November 4, 2014

HB 1 provides for the process to determine a sufficient balance in the Economic Stabilization Fund (Rainy Day Fund). The bill authorizes the Texas Transportation Commission to use money from the Texas Mobility Fund to provide funding, including a loan, for a port security project, a port transportation project or a project eligible for funding under the Texas Transportation Code.

HB 1 also requires TxDOT to reduce its internal costs by at least \$100 million of appropriated funds in the biennium ending August 31, 2015. TxDOT must use those savings to reduce the principal and interest on Proposition 14 State Highway Fund Revenue bonds. In achieving such savings, TxDOT may not reduce the amount of funding available for transportation projects. TxDOT shall also submit a report to the Legislature by August 31, 2015 on the implementation of these requirements.

The Speaker of the House and the Lieutenant Governor shall each appoint five members to a select committee to determine the “sufficient balance” of the Economic Stabilization Fund to ensure an appropriate amount of revenue available in the fund. The sufficient balance amount will be presented to the Texas Legislature through a concurrent resolution during the first 30 days of the legislative session and will be submitted for approval of both chambers by the 45th day of the session. This portion of HB 1 expires on December 31, 2024.

As an exception to general procedures described above, for fiscal year 2015, the “sufficient balance” select committee has 30 days after a canvassing of votes approving SJR 1 to adopt a “sufficient balance.” That balance is not subject to legislative appropriations.

HB 1 also directs the Speaker of the House and Lieutenant Governor to appoint another legislative committee to evaluate various aspects

of transportation funding and to prepare a report with recommendations by November 2014.

Impact to TxDOT

This legislation provides the procedures by which an amount of general revenue can be determined and distributed to the State Highway Fund contingent on approval by voters of the constitutional amendment established by SJR 1, 3rd Called Session.

HB 1, together with SJR 1, may result in up to \$1.2 billion per year being transferred to the State Highway Fund to be used only for constructing, maintaining and acquiring rights-of-way for public roadways other than toll roads. As a general rule, TxDOT may not plan that revenue will be available to TxDOT until a select committee establishes a sufficient balance, the Texas Legislature ratifies the amount or alters it, and the Comptroller makes a projection of oil and gas tax revenues and fund balances.

Representative Joe Deshotel amended HB 1 to clarify that TxDOT can use money in the Texas Mobility Fund for port projects. This could enable TxDOT to facilitate various port and waterway projects, including a proposed project to dredge and improve the Sabine-Neches Waterway, which serves the deepwater ports of Beaumont, Orange, and Port Arthur.

HB 2148

Motor fuel tax on compressed natural gas and liquefied natural gas; providing penalties; imposing a tax

Author: Representative Harvey Hilderbran

Sponsor: Senator Tommy Williams

Effective Date: September 1, 2013

HB 2148 changes the method by which the current motor fuel tax is paid and collected on compressed natural gas (CNG) and liquefied natural gas (LNG) that are used as motor fuels. Current law mandates that these taxes are paid annually via a Liquefied Gas Tax decal to be displayed on the windshield of a motor vehicle. The Liquefied Gas Tax decal, for both CNG and LNG, is based on a tax rate of 15 cents per gallon. The legislation leaves this tax rate unchanged.

This bill also adds a new subchapter to the Texas Tax Code that regulates the collection and administration of CNG and LNG taxes and imposes a 15-cent per gallon tax on the delivery of CNG or LNG into the fuel supply tank of a motor vehicle. CNG or LNG dealers would add the amount of tax to the selling price paid by the purchaser. The tax collected by each licensed CNG or LNG dealer

must then be remitted monthly to the state Comptroller of Public Accounts. Each CNG or LNG dealer must also provide an invoice or receipt that states the rate and the amount of the tax that was added to the selling price.

HB 2148 further provides exceptions to the new subchapter for metropolitan rapid transit authorities and regional transportation authorities that operate under Chapters 451 and 452 of the state Transportation Code and that use CNG or LNG. Each of these transit agencies could instead choose to pay the liquefied gas tax under the existing provisions of state Tax Code.

Impact to TxDOT

Based on the Comptroller's analysis, the Legislative Budget Board estimates a possible \$215,000 decrease in revenue to the State Highway Fund if the transit authorities described above determine that their tax liability would be lower under the current method of collection.

HB 3086

Optional exemption from the diesel fuel tax for materials blended with taxable diesel fuel

Author: Representative Drew Darby
Sponsor: Senator Joan Huffman

Effective Date: September 1, 2013

HB 3086 revises the Texas Code with regard to the diesel fuel tax exemption that is granted for the water, fuel ethanol, renewable diesel, or biodiesel that are blended with taxable diesel when the finished product is clearly identified on the retail pump, storage tank, or sales invoice.

The bill provides that, in lieu of taking the exemption on the nondiesel fuel components in the product and meeting the product identification requirements, the entity that collects and remits the diesel fuel tax could elect to pay the motor fuel tax on the entire product as though all of the individual fuel components are taxable. As a result, the product labeling requirements to identify the nontaxable components would not apply.

The Comptroller expects that, due to the documented difficulties in complying with the current product identification requirements necessary to receive the existing exemption, most of the diesel fuel sold in Texas that is subject to the diesel fuel tax will be sold using the provisions in HB 3086.

Impact to TxDOT

The TxDOT Finance Division will consider incorporating

this estimate in its revenue forecasting for the State Highway Fund. Moreover, the TxDOT Office of General Counsel will be mindful of the effects of this legislation when considering the implications of other enacted legislation, such as those providing for special license plates, as they may reduce the State Highway Fund revenues that support Proposition 14 bonds.

HB 3188

Miscellaneous claims and judgments to be paid from certain designated funds

Author: Representative John Otto
Sponsor: Senator Tommy Williams

Effective Date: September 1, 2013

HB 3188 directs payment of certain miscellaneous claims and judgments against the state out of funds designated by the Act.

Impact to TxDOT

The bill outlines the specific sums of money to be appropriated from the State Highway Fund to pay itemized claims and judgments plus interest, if any, against the State of Texas.

SENATE BILLS

SJR 1 (3rd Called Session)

Proposing a constitutional amendment to provide for the transfer of certain general revenue to the economic stabilization fund and to the State Highway Fund and for the dedication of the revenue transferred to the State Highway Fund

Author: Senator Robert Nichols
Sponsor: Representative Joe Pickett

Effective Date: On the adoption of the constitutional amendment at an election to be held on November 4, 2014

SJR 1 proposes a constitutional amendment to allocate half of the oil and gas production tax revenue that currently goes to the Economic Stabilization Fund and deposit those funds into the State Highway Fund. That revenue is to be used only for the construction, maintenance and acquisition of rights-of-way for public roadways other than toll roads.

Under current law, not later than the 90th day of each fiscal year, the Comptroller deposits in the Economic Stabilization Fund (ESF) 75 percent of the difference

between the amount of oil and gas production tax revenue received by the state in the preceding year and the amount received in the fiscal year ending August 31, 1987, with the remaining 25 percent retained as general revenue.

SJR 1 requires the Texas Legislature to provide for a procedure by which the allocations may be adjusted to ensure a “sufficient balance” in the ESF. HB 1 establishes these procedures. The amounts transferred to the State Highway Fund are subject to reduction based on these procedures.

If the voters adopt the constitutional amendment, the new provisions take effect immediately on the final canvass on the election of the amendment. If the Comptroller has already made an allocation to the ESF, pursuant to the constitutional provisions in effect before the election, the Comptroller shall return the transferred amounts to general revenue and transfer from general revenue to the Economic Stabilization Fund and the State Highway Fund the required amounts according to the amended provisions of the Texas Constitution and general law.

Impact to TxDOT

If approved by voters, SJR 1 could result in as much as \$1.2 billion per year for the State Highway Fund for several years, subject to the decision of the Texas Legislature regarding the “sufficient balance” of the ESF.

COMPREHENSIVE DEVELOPMENT AGREEMENTS (CDA)

SENATE BILLS

SB 1730

Comprehensive development agreements of TxDOT or RMAs

Author: Senator Robert Nichols

Sponsor: Representative Larry Phillips

Effective Date: September 1, 2013

SB 1730 grants authorization for up to 12 TxDOT CDA projects (six new and six previously authorized) and grants either TxDOT or an RMA the CDA authority for the 10 remaining projects (six new and four previously authorized). TxDOT or an RMA may enter into a CDA for a tolled or non-tolled state highway improvement project authorized by the Legislature.

Additionally, SB 1730 amends the list of specific projects for which TxDOT or an RMA may enter into a CDA and extends the expiration date for this CDA authority over these projects by two years to fiscal year 2017.

Impact to TxDOT

Under SB 1730, TxDOT may enter into a CDA for all or part of specific projects statewide.

ENERGY SECTOR

HOUSE BILLS

HB 1025

Supplemental Appropriations, including \$450 million for energy sector roads

Author: Representative Jim Pitts
Sponsor: Senator Tommy Williams

Effective Date: June 14, 2013

HB 1025 is a supplemental appropriations bill that includes a general revenue reduction and two general revenue appropriations for TxDOT. The bill makes supplemental appropriations increases and reductions for various state agencies.

Starting in fiscal year 2013, the bill makes net appropriation increases of:

- \$627.97 million out of the General Revenue Fund,
- \$158.1 million out of General Revenue Dedicated Accounts,
- \$1.9 million out of the Economic Stabilization Fund, and
- \$10.35 million out of federal funds.

The bill makes the following transportation-related appropriation reduction: \$105 million from TxDOT was not needed for debt service on Proposition 12 General Obligation bonds during the 2012-2013 biennium.

HB 1025 also calls for an appropriation increase of \$450 million from General Revenue Fund 001 to help TxDOT assist counties in funding the repair and maintenance of roads and bridges damaged by energy sector-related activities. This includes \$225 million to be transferred to State Highway Fund 6 for certain projects within the state highway system and \$225 million to be transferred to the Transportation Infrastructure Fund for county transportation projects.

Impact to TxDOT

There is no impact to TxDOT from the reduction of general revenue for debt service on Proposition 12 bonds. There is still sufficient general revenue appropriated for debt service in the 2012-13 biennium. The \$225 million for energy sector-related road maintenance was allocated by the Transportation Commission at the July meeting. The \$225 million in general revenue for the Transportation Infrastructure Fund will be addressed in the rules that implement SB 1747.

HB 2300

Funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones

Author: Representative Jim Keffer
Sponsor: Senator Carlos Uresti

Effective Date: September 1, 2013

HB 2300 amends the Texas Transportation Code to create a new type of transportation reinvestment zone for counties affected by oil and gas exploration and production facilities. The bill allows a county commissioners court to designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone (CETRZ) after determining that an area is affected by oil and gas exploration and production activities.

The bill authorizes the county to pay an amount equal to the tax increment produced by the county into a tax increment account, minus any amounts allocated under previous agreements to construct or maintain roads in the CETRZ.

HB 2300 also establishes requirements for an advisory board for the CETRZ and for the creation of a Road Utility District (RUD). The RUD may issue bonds and pledge all or a specified amount of money in the tax increment account to secure bonds. The commissioners court is authorized to accept donations of labor, money or other property to aid in the building or maintaining of roads in the county or counties.

Impact to TxDOT

HB 2300 provides additional sources of funding to counties with whom TxDOT may partner to develop transportation projects in CETRZs. However, the constitutional impediment to counties in pledging tax increment funding toward the payment of bonds may also be determined to apply to RUDs, which would severely limit the flexibility of such districts to generate sufficient funding up front to develop projects.

SENATE BILLS

SB 514

Saltwater pipelines

Author: Senator Wendy Davis
Sponsor: Representative Gene Wu

Effective Date: June 14, 2013

SB 514 amends the Texas Natural Resources Code to add Subchapter T dealing with saltwater pipeline facilities. This subchapter grants public utility status to any person who owns, installs, manages, operates, leases or controls a saltwater pipeline facility.

It also authorizes TxDOT to require the pipeline operator to lease its use of the right of way for fair market value, unless the operator is authorized by other statutes (such as state's Utilities Code) to place its lines in the right of way for free.

Impact to TxDOT

The bill will require TxDOT to amend its utility accommodation rules to adopt safety regulations for saltwater pipelines. TxDOT will be able to relocate these pipelines for highway improvements, and the state reimbursement of the relocation costs would be subject to TxDOT's normal statutory standards under the state's Transportation Code.

While the increased number of pipelines will cause more maintenance and operational issues for TxDOT's highways as well as increase future relocation costs, these new requirements may also reduce road damage by transferring water by pipeline instead of by trucks.

SB 1747

TxDOT will establish a transportation infrastructure fund to administer a grant program for infrastructure projects in county energy transportation reinvestment zones (CETRZs)

Author: Senator Carlos Uresti

Sponsor: Representative Jim Keffer

Effective Date: September 1, 2013

SB 1747 amends the Texas Transportation Code by adding Subchapter C to Chapter 256 and by adding sections to Chapter 222:

Subchapter C — creates a new county Transportation Infrastructure Fund (TIF) to administer a grant program for counties to assist with transportation projects in areas where roads and bridges have been damaged by oil and gas exploration activities. The fund was created by the Legislature as a dedicated fund in the state treasury outside the general revenue fund. Money was appropriated to TxDOT which must administer the grant program to distribute funds for transportation infrastructure projects located in counties that include a county energy transportation reinvestment zone.

Chapter 222 — creates a County Energy Transportation Reinvestment Zone (CETRZ), a new type of transportation

reinvestment zone for counties to assist with transportation projects in areas affected by oil and gas exploration and production facilities. A county is allowed to designate an area as a CETRZ for one or more infrastructure projects. Counties can decide the amount of tax increment in an area that the each county determines was affected by oil and gas production and would benefit from tax increment funds. A commissioners' court would dedicate all the captured appraised value of the real estate in the CETRZ area to infrastructure projects and comply with TxDOT regulations on CETRZ funding.

Impact to TxDOT

TxDOT has established and will administer a grant program for infrastructure projects in counties with one or more CETRZs. TxDOT has developed the criteria to qualify for a grant and distribute funds for transportation infrastructure projects located in the CETRZ.

TxDOT has held internal and external meetings relating to the implementation of the bill. TxDOT has met with stakeholders including industry, county associations, and affected agencies. The Texas Transportation Commission adopted rules and determined a timeframe in which counties can apply for grant funds at the November 21, 2013 meeting.

All updated information and data can be found at www.roadstexasenergy.com.

ENVIRONMENTAL

HOUSE BILLS

HB 2305

Motor vehicle inspections; creating an offense; changing the collection method for certain fees

Author: Representative Eddie Rodriguez

Sponsor: Senator Kirk Watson

Effective Date: This Act takes effect March 1, 2015, except Section 53(a), (b), and (c) take effect September 1, 2013, and Section 548.104(d)(3), Transportation Code, as added by this Act, takes effect September 1, 2014.

The Texas Department of Motor Vehicles (TxDMV), Texas Department of Public Safety (TxDPS), and Texas Commission on Environmental Quality (TCEQ) will adopt rules necessary to implement the changes in law no later than March 1, 2014.

HB 2305 prohibits vehicle inspection stations from issuing a passing vehicle inspection report for those vehicles equipped with a compressed natural gas (CNG) container unless the vehicle owner can demonstrate:

The container is still within its manufacturer's recommended service life and has met certain inspection requirements, and

The vehicle is a fleet vehicle for which the fleet operator employs a technician certified to inspect the container.

HB 2305 establishes a combined vehicle safety and vehicle registration sticker. The bill requires the TxDPS and the TxDMV to replace the current dual state inspection and registration sticker system with a single registration sticker.

A vehicle may not be registered without proof of a safety or emission inspection, or both, either electronically or via a printed inspection report. Vehicle owners must complete a vehicle safety inspection prior to their registration renewal and may obtain an inspection certificate no earlier than 90 days before the expiration date of the vehicle's registration.

The bill also requires the TxDPS, in consultation with the TCEQ, to implement a system for both safety and air quality inspections. TxDPS would maintain an electronic database to which state inspections stations must electronically submit, upon completion of an inspection, the inspected vehicle's Vehicle Identification Number (VIN) and state whether the vehicle passed the inspections. Prior to a vehicle being registered,

the TxDMV or the county tax assessor-collector that will register the vehicle must verify that the vehicle passed its inspection in the inspection database.

Impact to TxDOT

There will be minimal operational and fiscal impact to TxDOT. HB 2305 would discontinue the use of DPS vehicle inspection stickers and replace it with a registration-based enforcement of motor vehicle inspection requirements.

The TxDPS must promulgate rules to implement this section and take appropriate steps to have the containers inspected prior to the annual vehicle inspection. TxDOT currently operates only four CNG vehicles but it plans to purchase 50 more this fiscal year.

Registration would be contingent upon the passing of the TxDPS vehicle inspection 90 days before the registration is due to expire. There is no change to TxDOT's exempt registration status. TxDOT fleet operations would be affected by the adjustment to a new mechanism whereby TxDOT understands the due date of the inspection and enters the inspection certification information into a central database. TxDOT will adjust its internal procedures once TxDMV and TxDPS promulgate rules.

SENATE BILLS

SB 466

TxDOT authority to participate in certain federal transportation programs

Author: Senator Juan "Chuy" Hinojosa

Sponsor: Representative Linda Harper-Brown

Effective Date: May 18, 2013

SB 466 expedites the development and construction of highways and other transportation infrastructure projects by reducing the amount of time it currently takes for TxDOT to obtain approval of environmental documents required under the National Environmental Policy Act (NEPA) of 1969 and other federal laws.

The bill amends the Texas Transportation Code by adding a new section that authorizes TxDOT to assume the responsibilities of the U.S. Department of Transportation regarding duties under NEPA. TxDOT may enter into agreements with the U.S. Secretary of Transportation to designate the categorical exclusions from federally required environmental assessments or impact statements for highway projects or transportation projects, including highway, railroad, public transportation and multimodal projects.

The Texas Transportation Commission is authorized to adopt rules to implement this legislation and to adopt relevant federal environmental standards as the state's standards for environmental reviews considered under the assignment agreement.

Impact to TxDOT

TxDOT anticipates that obtaining assigned authority from the Federal Highway Administration to approve environmental review documents will result in significant savings by expediting project development and construction, thus reducing the cost of inflation associated with acquiring materials and right of way for affected projects.

SB 1300

Environmental health and safety audits under the Texas environmental health and safety audit privilege act

Author: Senator Kevin Eltife

Sponsor: Representative Tryon Lewis

Effective Date: September 1, 2013

SB 1300 expands the Texas Environmental, Health and Safety Audit Privilege Act, which encourages voluntary compliance with state and federal environmental and occupational health and safety laws applicable to regulated facilities, such as solid waste disposal sites. The bill enables prospective and new purchasers of property regulated under state environmental or health and safety laws to take advantage of the protections afforded under the Act, which is similar to the EPA's new owner audit policy and includes the provision of immunity from civil and administrative penalties.

SB 1300 also amends the above act to define "acquisition closing date" and clarify and expand the existing definition of "environmental or health and safety audit" to include certain persons – and their employees and independent contractors – that are considering acquiring a regulated facility or operation.

The bill adds "the period of ownership of the regulated facility or operation" to a list of potential mitigating factors that should apply to certain penalties imposed under the Act. It also contains an exception to certain requirements for receiving immunity. The exception applies to audits conducted before the acquisition closing date by a person considering the acquisition of the regulated facility or operation to be audited.

SB 1300 further authorizes a person that begins an audit before becoming the owner of a regulated

facility or operation to continue the audit after the acquisition closing date if that person provides notice of that intent to an appropriate regulatory agency.

Impact to TxDOT

The bill is not anticipated to affect TxDOT operations, but the TxDOT Environmental Affairs Division will monitor implementation of the bill.

SB 1756

Expedited processing of certain permits under the Clean Air Act

Author: Senator Carlos Uresti

Sponsors: Representative Jason Villalba

Effective Date: June 14, 2013

SB 1756 amends the Texas Health and Safety Code by adding a new section that allows an applicant for a permit under the Clean Air Act to request expedited processing by the Texas Commission on Environmental Quality (TCEQ) if the applicant demonstrates that the purpose of the application would benefit the economy of the state or an area of the state.

The bill also authorizes the TCEQ executive director to grant a request for expedited processing if the director determines that the permit would be beneficial to the economy of the state or an area of the state.

SB 1756 further authorizes the TCEQ to add a surcharge to the application fee for an expedited application that is sufficient to cover the expenses incurred by the expediting, including overtime, contract labor and other costs. The potential time savings to be gained by the expedited permit process will remain unknown until TCEQ adopts administrative rules governing that process.

Impact to TxDOT

The bill is unlikely to impact TxDOT operations as TxDOT generally does not apply for individual air permits. Any future impact to TxDOT is likely to be positive because TxDOT and its contractors would have the option to pay a surcharge and receive expedited processing of air permit applications determined to have economic benefits.

INFORMATION TECHNOLOGY

HOUSE BILLS

HB 1965

Quality assurance team and contract advisory team duties

Author: Representative Linda Harper-Brown

Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 1965 addresses the duties of the Quality Assurance Team (QAT) and the Contract Advisory Team (CAT). The bill requires the QAT to develop and recommend policies and procedures to improve state agency information resources technology projects and develop and recommend procedures to improve the implementation of state agency information resources technology projects.

The CAT must review and make recommendations on the solicitation and contract documents for state agency contracts with a value of at least \$10 million. The CAT must also develop and recommend policies and procedures to improve state agency contract management practices as well as ways to improve state agency contracting practices by including the consideration for best value. The CAT then must also create and periodically perform a risk assessment to determine the appropriate level of management and oversight of state agency contracts.

Impact to TxDOT

The bill will require TxDOT to adopt the team's recommendations on a \$10 million threshold for the submission of contract documents for review (the current threshold is \$1 million) or submit, in writing, its reasons for not doing so.

The increase in the threshold for contract document review from \$1 million to \$10 million will be beneficial as the majority of information resources technology projects are under \$10 million. For information resources technology, projects greater than \$10 million additional time may be needed in the procurement process to comply with the improved contract management practices for state agencies.

HB 2422

Advanced Internet-based computing service options by state government (cloud computing)

Author: Representative Larry Gonzales

Sponsor: Senator Charles Schwertner

Effective Date: September 1, 2013

HB 2422 allows state agencies to consider advanced Internet-based computing service options, including any cost associated with purchasing those service options, when making purchases for a major information resources project.

The bill requires a state agency to ensure that information resources projects that use advanced Internet-based computing service options meet or exceed required state standards for cyber-security.

The bill allows the state's Department of Information Resources (DIR) to review the process for the coordinated development, hosting and management of computer software for state agencies that use advanced Internet-based computing services. DIR must use existing resources.

Impact to TxDOT

The bill will have minimal impact to TxDOT operations. TxDOT currently considers advanced Internet-based computing for its major information resources projects.

TxDOT might be asked to participate in a study to review the process for the coordinated development, hosting and management of computer software for state agencies that use advanced Internet-based computing services.

HB 2738

Study by Department of Information Resources regarding state agency technology efficiency (legacy systems)

Author: Representative Gary Elkins

Sponsor: Senator Rodney Ellis

Effective Date: May 25, 2013

HB 2738 requires the Department of Information Resources (DIR) to provide a report to both the Texas Legislature and the Governor's Office by October 1, 2014 that includes (1) an inventory of state agency-maintained systems; (2) the annual cost and availability of resources to maintain those systems; (3) the security risks related to use of the systems; (4) if feasible, a cost estimate to update the systems; and (5) a plan to assess and prioritize statewide modernization projects to update or replace the systems.

Impact to TxDOT

TxDOT may be required to provide DIR with necessary information for this study.

HB 3093**Powers and duties of the Department of Information Resources and Legislative Budget Board regarding information resources technology of state agencies**

Author: Representative Gary Elkins

Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 3093 requires the Department of Information Resources (DIR) to coordinate with the Quality Assurance Team (QAT) to develop contracting standards for information resources technologies acquisition and purchased services and work with state agencies to ensure deployment of standardized contracts.

The bill requires the DIR governing board to include in its Performance Report a review to be performed for projects completed in the previous biennium and on the second anniversary of the project's completion.

It further requires the DIR, in consultation with the QAT, the Information Technology Council for Higher Education (Council) and the Legislative Budget Board (LBB), to review existing statutes, procedures, data and organizational structures to identify opportunities to improve efficiency, customer service and transparency in information resources technologies. DIR must report its findings and recommendations to the Governor, Lieutenant Governor, Speaker of the House, the Senate Committee on Government Organization and the House Technology Committee not later than December 1, 2014.

The LBB, in consultation with DIR and Council, must establish criteria to evaluate state agency biennial operating plans, taking into consideration (1) the feasibility of proposed information resources projects for the biennium; (2) the consistency of the plan with the state strategic plan; (3) the appropriate provision of public electronic access to information; (4) evidence of business process streamlining and gathering of business and technical requirements; and (5) services, costs and benefits.

Impact to TxDOT

The new standards may benefit commodity equipment and services. Technologies and purchased services related to TxDOT specialty areas such as road and bridge construction and maintenance, rail, and aviation may require the use of niche market players or approaches that do not align well with commoditized goods and services.

The new performance report requirement will mean additional tracking of benefits realized

for a longer period of time and greater discipline around tracking project expenses.

The bill also calls for more prescriptive requirements around agency biennial operating plans (BOP). The consideration of evidence of business process streamlining and gathering of business and technical requirements might require project work to have been completed up to requirements gathering and analysis to move forward.

SENATE BILLS

SB 279**High-value data sets provided by state agencies to the Department of Information Resources**

Author: Senator Kirk Watson

Sponsors: Representative Gary Elkins

Effective Date: September 1, 2013

SB 279 amends the Texas Government Code to require that a state agency posting a "high-value data set" on the agency's Internet website must provide the Department of Information Resources (DIR) with a brief description of and a link to that data set. DIR must post the description and link on the state electronic Internet portal.

The Texas Government Code defines a "high-value data set" as information that is "not confidential or protected from disclosure" and "can be used to increase state agency accountability and responsiveness, improve public knowledge of the agency and its operations, further the core mission of the agency, create economic opportunity, or respond to need and demand as identified through public consultation." Each state agency determines each high-value data set that it creates or maintains.

Impact to TxDOT

TxDOT will be required to provide a description and a link to each high-value data set and submit it to the DIR.

SB 1597**Information security plan**

Author: Senator Judith Zaffirini

Sponsor: Representative John Smithee

Effective Date: September 1, 2013

SB 1597 amends the Texas Government Code to require all state agencies to develop and update an information security plan that must: (1) consider any vulnerability

report prepared for the agency; (2) incorporate the network security services provided to the agency; (3) identify and define the responsibilities of the agency staff who produce, access, use, or serve as custodians of its information; (4) identify risk management and other measures taken to protect the agency's information from unauthorized access, disclosure, modification, or destruction; (5) include the best practices for information security and a written explanation of why the best practices are insufficient for the agency's security; and (6) omit from any written copies of the plan information that could expose vulnerabilities in the agency's network or online systems. Each agency must submit a copy of its information security plan to the Department of Information Resources (DIR) every two years.

Impact to TxDOT

The TxDOT Business Continuity Program (BCP), currently in development and due for implementation this year, will include portions of SB 1597. The BCP will bring to light certain risks in or to TxDOT operations and will so address those risks. TxDOT's risk management program will encompass elements of information security, as well as alternative facilities strategies, vital records, processes and vendors. TxDOT will develop and periodically update an information security plan to protect the security of its information.

In developing its information security plan, TxDOT will abide by the requirements of SB 1597 and submit a copy of its plan to the DIR no later than October 15 of each even-numbered year.

LOCAL TRANSPORTATION ISSUES

HOUSE BILLS

HB 474

Optional procedure for issuance of a permit by a certain regional mobility authority for movement of oversize or overweight vehicles carrying cargo

Author: Representative Sergio Munoz, Jr.

Sponsor: Senator Juan "Chuy" Hinojosa

Effective Date: September 1, 2013

HB 474 amends the Texas Transportation Code by adding a new Subchapter Q. This subchapter provides an optional procedure by which the Texas Transportation Commission may authorize the Hidalgo County Regional Mobility Authority (HCRMA) to issue permits for oversize and overweight (OS/OW) loads of up to 125,000 pounds on certain state highways within Hidalgo County.

HB 474 also specifies the state highways over which those loads may travel; authorizes the HCRMA to collect permit fees (not to exceed \$80 per trip), which would be adjusted annually based on changes to the Consumer Price Index; restricts the use of permit fee revenue to the construction and maintenance of the roads designated by the bill and for the HCRMA's administrative costs, which may not exceed 15 percent of the fees collected; and requires the HCRMA to make payments to TxDOT to provide the funds to maintain the affected state highways.

Impact to TxDOT

To implement this bill, the TxDOT Maintenance Division must negotiate an agreement with the HCRMA to issue permits for the new OS/OW corridor. The Commission adopted rules to implement HB 474 at its September 2013 meeting, which was held in McAllen, Texas.

HB 1198

Optional county fees on vehicle registration: El Paso, and Webb Counties

Author: Representative Richard Raymond

Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 1198 amends the Texas Transportation Code to authorize Webb and El Paso Counties to impose an optional fee of up to \$10 to register vehicles in those counties. Counties could collect this new fee in addition to the existing optional county road and bridge fee

already authorized within the Transportation Code.

All of the revenue collected from the fee must be credited to the county's regional mobility authority to fund long-term transportation projects in the county.

The bill's provisions add Webb and El Paso Counties to Cameron and Hidalgo Counties.

Impact to TxDOT

Though there is no direct operational or fiscal impact to TxDOT, the revenue collected from the additional fees will be deposited to each eligible county in a fund to be used for its long-term transportation projects.

HB 1573

Optional county fees on vehicle registration: Bexar County

Author: Representative Ruth Jones McClendon

Sponsor: Senator Leticia Van de Putte

Effective Date: September 1, 2013

HB 1573 amends the Texas Transportation Code to authorize a county with a population of more than 1.5 million people and shares a boundary with a regional mobility authority [Bexar County] to charge an optional fee of up to \$10 on a vehicle registered in the county.

The bill would require revenue from the optional county fee to be deposited in a special account in the county general fund to be used for transportation projects.

Impact to TxDOT

Though there is no direct fiscal or operational impact to TxDOT, revenue collected from the additional fees will be deposited in a special account in the county general fund to be used for transportation projects by the county.

HB 2536

Composition of subregional boards of certain regional transportation authorities

Author: Representative Charlie Geren

Sponsor: Senator Jane Nelson

Effective Date: June 14, 2013

HB 2536 addresses the composition of subregional boards of two regional transportation authorities: Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority ("The T").

The bill amends the Texas Transportation Code to authorize the appointment of an individual to

a subregional board of a regional transportation authority if that individual does not reside in the regional transportation authority or if the individual is a qualified voter of and resides in a municipality that has contracted with the authority to receive services and the municipality has adopted a sales tax to participate in the funding of a transportation project being planned, developed or operated by the authority.

It also clarifies the eligibility of certain elected officials to serve on a subregional board of a regional transportation authority and provides that an elected official who serves on the board is not eligible to receive compensation for serving as a member but is entitled to receive reimbursement for reasonable expenses incurred in performing duties as a member.

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. DART and "The T" receive federal funds and revenue from a local sales tax, but do not receive funding or other support from TxDOT.

HB 2612

Prohibitions and restrictions on using county roads in certain circumstances

Author: Representative Dan Flynn
Sponsor: Senator Bob Deuell

Effective Date: June 14, 2013

HB 2612 amends the Texas Transportation Code to provide that a road supervisor may prohibit or restrict the use of a road or a section of a road by a vehicle that will cause excessive damage, if an alternative road is available within the county at the time.

A county commissioners court may identify the alternate route and require heavy vehicles with a gross weight of more than 60,000 pounds to travel the alternate route in order to prevent excessive damage to the road. A person required to operate or move a vehicle on the alternate route would not be liable for damage sustained by the road or bridge, unless the act that resulted in the damage constituted intentional misconduct or gross negligence.

Impact to TxDOT

There is no operational or fiscal impact to TxDOT. TxDOT districts and Maintenance Division will monitor this law because alternate route selection might mean different use of state roads as well.

HB 3126

Optional fees imposed on vehicle registration: Cameron County

Author: Representative Eddie Lucio III
Sponsor: Senator Eddie Lucio

Effective Date: September 1, 2013

HB 3126 authorizes the Cameron County Commissioners' Court to impose an optional fee up to \$20 to register a vehicle. The fee is subject to a referendum within the county. According to the Legislative Budget Board, Cameron County is the only county that meets all the criteria contemplated by HB 3126. Under prior law, Cameron County was allowed to assess a maximum fee of \$10.

Impact to TxDOT

The LBB estimated that Cameron County would begin to charge the additional \$20 optional county fee on January 1, 2014. This is based on information from the Texas Department of Motor Vehicles. The fee would apply to vehicle registration transactions processed on or after that date in fiscal year 2014.

SENATE BILLS

SB 948

Management of coordinated county transportation authorities

Author: Senator Jane Nelson
Sponsor: Representative Tan Parker

Effective Date: September 1, 2013

SB 948 is primarily a "housekeeping" bill for the Denton County Transit Authority (DCTA), although one of its provisions also applies to Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority ("The T").

The bill defines DART, DCTA and "The T" as "local governments" for certain purposes.

SB 948 expands the DCTA's interim executive committee by adding one member appointed by the governing body of certain municipalities that participate in the authority through tax increment payments.

The bill also limits the liability of certain private operators that contract with the DCTA to the extent that the DCTA would itself be liable if it were performing the function. The bill also authorizes the DCTA to contract for fare enforcement officers and negotiate contracts without

competitive sealed bids or proposals under certain circumstances, including the lease or purchase of an interest in land. There is also a provision governing the application of the bill's provisions to causes of action that arise before or after it takes effect.

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. The DCTA, DART and "The T" receive federal funds and revenue from a local sales tax but do not receive funding or other support from TxDOT.

SB 1729

Agreement between the TxDPS and a county to provide the renewal and duplicate driver's license and other identification certificate services

Author: Senator Robert Nichols

Sponsor: Representative Ken King

Effective Date: June 14, 2013

SB 1729 allows the Texas Department of Public Safety (TxDPS) to establish a pilot program under which it could enter into an agreement with a county commissioners court to allow county employees to provide services related to the issuance of renewal and duplicate driver's licenses, election identification certificates and personal identification certificates in county offices including:

- Taking photographs
- Administering vision tests
- Updating a driver's license, ID card or election ID certificate
- Collecting information on organ donation
- Collecting and remitting fees to TxDPS
- Performing other related functions

The pilot program could include a maximum of eight counties, including:

- A maximum of three counties with populations of 50,000 people or fewer;
- A maximum of three with populations of 50,001 to 1 million people; and
- A maximum of two with populations greater than 1 million people.
- A participating county could collect an additional fee up to \$5 for each transaction related to a driver's license or ID card.

The bill also authorizes the TxDPS to enter into agreements with certain county commissioners courts for the issuance

of renewal and duplicate driver's licenses, election identification certificates and personal identification certificates. County officials would remit to TxDPS the fees collected from the issuance of renewal and duplicate driver's licenses and personal identification certificates. The county would not be allowed to administer an examination for a driver's license. The TxDPS must provide all the equipment, including network services, necessary to perform the services specified in this legislation.

Impact to TxDOT

The revenue from driver's licenses and personal identification certificates is pledged toward the payment of bonds issued from the Texas Mobility Fund (TMF). Counties are not authorized to retain any of the revenue they would collect under the legislation so there should be no impact to TMF bonds. However, there will likely be a cost to the State Highway Fund if the TxDPS and counties enter into the agreements authorized by the legislation.

MARITIME

HOUSE BILLS

Please see *HB 1 (3rd Called Session)* in the *Transportation Funding Section*

HB 115

Identification numbers on certain watercraft

Author: Representative Lyle Larson
Sponsor: Senator Carlos Uresti

Effective Date: September 1, 2013

HB 115 amends the Texas Parks and Wildlife Code to ensure the visibility of watercraft identification numbers.

The bill requires vessel owners to display the vessel's identification number and registration decal on the "forward half" of the vessel, rather than "near the bow," as required by current law.

For vessels configured so that a number on the hull or superstructure is not easily visible, the bill requires that the vessel's identification number be painted on or attached to a backing plate that is attached to the forward half of the vessel so that the number is visible from each side.

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. TxDOT and other state agencies are exempt from vessel registration requirements in the Texas Parks and Wildlife Code.

HB 597

Boater education to prevent the spread of certain harmful aquatic species

Author: Representative Ryan Guillen
Sponsor: Senator Kevin Eltife

Effective Date: May 24, 2013

HB 597 amends the Texas Parks and Wildlife Code to require that boater education courses or equivalency examinations include information on how to prevent the spread of exotic harmful or potentially harmful aquatic plants, fish and shellfish. This includes methods approved by the Texas Parks and Wildlife Department (TPWD) to clean boats, boat motors, fishing and other equipment; and boat trailers.

Impact to TxDOT

The bill does not directly impact TxDOT operations, but its implementation will require the revision of the TxDOT Equipment Manual after the TPWD adopts rules to implement the bill.

HB 1106

Identification and other requirements for certain vessels

Author: Representative Lyle Larson
Sponsor: Senator Craig Estes

Effective Date: September 1, 2013

HB 1106 amends the Texas Parks and Wildlife Code to clarify identification and operational requirements for certain small boats.

The bill clarifies the definition of the term "boat" and eliminates a requirement that the TPWD issue a block or blocks of vessel numbers to each county tax assessor-collector.

It provides that certain vessel ownership records are not public records and establishes or clarifies requirements for certain applications for a certificate of number or a certificate of title.

HB 1106 also requires that certain vessels be equipped with visual distress signals and prohibits a person from operating certain vessels from operating on coastal waters unless it is equipped with those visual distress signals

Impact to TxDOT

TxDOT owns a variety of small boats, most of which are less than 21 feet long. The majority of these vessels are assigned to the Beaumont, Corpus Christi, Houston, Fort Worth, Pharr and Yoakum Districts and to the North Regional Support Center. The TxDOT Bridge Division also operates several small vessels, including a 24-foot drive boat, which it uses to inspect bridges.

The bill, which is not anticipated to have a significant fiscal or operational impact on TxDOT, will require the revision of the TxDOT Equipment Manual. The TxDOT districts and divisions that operate small boats will be responsible for ensuring that the visual distress signal, if not already installed, is installed in a timely manner.

HB 1241**Adoption of rules to prevent spread of aquatic invasive species**

Author: Representative Ryan Guillen

Sponsor: Senator Robert Deuell

Effective Date: June 14, 2013

HB 1241 amends the Texas Parks and Wildlife Code by adding a new section that defines the terms "vessel," "public water" and "salt water" and authorizes the Texas Parks and Wildlife Commission to adopt rules requiring a person leaving public water to drain any water that has been collected from or has come in contact with public water. The requirement would not apply to salt water.

HB 1241 requires the Texas Parks and Wildlife Commission, when promulgating the rules, to consider the effect on boaters, anglers and local interests while maintaining the ability to prevent the spread of harmful or potentially harmful exotic fish, shellfish and aquatic plants.

If it adopts such rules, an authorized TPWD employee may inspect a vessel leaving or approaching public water, including any portable containers on board the vessel, for the presence of water. The inspection provision does not apply to vessels on public water.

Impact to TxDOT

TxDOT owns a variety of small boats, most of which are less than 21 feet long. The majority of these vessels are assigned to the Beaumont, Corpus Christi, Houston, Fort Worth, Pharr and Yoakum districts and to the North Regional Support Center. The TxDOT Bridge Division also operates several small vessels, including a 24-foot dive boat, which it uses to inspect bridges.

The bill, which is not anticipated to have a significant fiscal or operational impact on TxDOT, will require revision of the TxDOT Equipment Manual.

HB 1642**Port of Houston Authority sunset**

Author: Representative Dennis Bonnen

Sponsor: Senator John Whitmire

Effective Date: September 1, 2013

HB 1642 implements recommendations by the Sunset Advisory Commission intended to improve the transparency and accountability of the Port of Houston Authority (POHA) and makes various

adjustments to the authority's governance, management, and operating structure.

A key issue during the bill's consideration related to whether members of the authority's current board would be allowed to finish their terms. In the end, the Legislature opted to end all but the recently appointed chair's terms, who will serve the remainder of a six-year term. The Houston City Council (which appoints two members), the Harris County Commissioners Court (two members), the Pasadena City Council (one member) and the Harris County Mayors' and City Councils' Association (one member) will appoint replacements for the members who were swept.

The new members will serve two-year terms. The bill includes a mechanism to provide for the appointment of board members in the event that one of the local government entities fails to do so in a timely fashion.

The bill also requires the Sunset Commission to review the authority during the 2016-2017 biennium and requires the authority to pay the cost of that review.

Impact to TxDOT

No major impact to TxDOT. TxDOT's Maritime Division (MRD) and TxDOT's Houston District will continue to work with the POHA on certain port-related transportation projects. The POHA will continue to have a permanent seat on TxDOT's Port Authority Advisory Committee, which receives administrative support from MRD. Working with MRD, TxDOT's Planning and Programming Division (TPP) will consider the port's plans and projects in developing a state freight plan and TxDOT's maritime planning efforts and documents.

In addition, TxDOT would be a primary stakeholder in the port's planning process.

HCR 56**Legislative study on development of the cruise industry between Calhoun and Cameron Counties**

Author: Representative Todd Hunter

Sponsor: Senator Juan "Chuy" Hinojosa

Effective Date: August 26, 2013

HCR 56 requests that the Lieutenant Governor and the Speaker of the House provide for a joint interim legislative study regarding the development of a cruise industry on the Texas coast between Calhoun and Cameron counties, including its potential economic impact and options for incentives to attract the cruise industry to South Texas.

Impact to TxDOT

TxDOT may be asked to participate in the study and provide remarks.

SENATE BILLS

SB 971

Purposes, designation and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; authorizing an assessment

Author: Senator Tommy Williams

Sponsor: Representative Joe Deshotel

Effective Date: September 1, 2013

SB 971 authorizes port authorities to establish transportation reinvestment zones for port projects if the authority finds that promotion of a port project will improve the security, movement and intermodal transportation of cargo or passengers in commerce and trade.

A "port project" is defined as a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal and other projects.

The authority may capture the appraised value of real property taxable by the authority within the zone less the tax increment base. An authority has the authority to issue bonds and to contract with a public or private entity to develop a port project and pledge and assign to that entity all or a specified amount of the tax increment revenue.

In Section 222.108, Transportation Code, the definition of "transportation project" is amended to include "port security, transportation, or facility projects described by Section 55.001(5).

Impact to TxDOT

There may be opportunities for TxDOT to partner with port authorities to develop port projects but the legislation does not enhance TxDOT's authority to make loans to ports and it does not provide any new funding for the state to participate in such projects.

STATE AGENCIES

HOUSE BILLS

HB 12

Gifts made to a state agency for a state employee salary supplement

Author: Representative Dan Flynn
Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 12 amends the Texas Government Code to require state agencies to post information online regarding the amount of any gifts used as a salary supplement for an agency employee.

All state agencies are required to adopt rules relating to conflict of interest provisions on accepting gifts for salary supplements and to post those rules on their agency websites. Each agency must compile information on gifts made by entities created solely for the support of a state agency and report it to the State Auditor's Office and the Texas Legislature. The agency must report information on whether a donor is an individual or an entity; the type of entity, including nonprofit status and Internal Revenue Service classification; and the oversight procedures the agency has established for the use of any gifts.

The State Auditor's Office will develop a schedule and form for the required information posting and will compile a report to the Texas Legislature on gift and donor information submitted by the state agencies. HB 12 would permit the State Auditor's Office to review reports to identify conflicts of interest or other risks related to entity gifts and report any audit results to the Texas Legislature.

Impact to TxDOT

TxDOT will be required to adopt conflict of interest rules and post those rules on the TxDOT website. Other information will be compiled and submitted to the State Auditor's Office. The TxDOT Office of Compliance and Ethics, Office of General Counsel and Human Resources Division (HRD) will coordinate necessary changes to the TxDOT Human Resources Policy Manual, procedural changes and develop a compliant reporting structure. TxDOT will communicate policy revisions to TxDOT HRD staff, management and employees via manual revision notice and HRD-Net.

HB 194

Historically underutilized business program to include businesses owned by disabled veterans

Author: Representative Joe Farias
Sponsor: Senator Juan "Chuy" Hinojosa

Effective Date: September 1, 2013

HB 194 expands the definition of an "economically disadvantaged person" to include disabled veterans who have suffered at least a 20 percent service-connected disability for the purpose of identifying a historically underutilized business (HUB).

The bill requires the Texas Comptroller of Public Accounts to adopt rules to provide goals for increasing the contract awards for purchases by state agencies from HUBs that are owned, operated, or controlled by disabled veterans.

Impact to TxDOT

There may be additional prime and subcontractors that are certified as HUBs. TxDOT must monitor the rule changes from the Comptroller. These rule changes may require changes to TxDOT's HUB rules.

HB 480

Leave for certain state employees who attend child's educational activities

Author: Representative Carol Alvarado
Sponsor: Senator Rodney Ellis

Effective Date: June 14, 2013

HB 480 amends the Texas Government Code to allow state employees up to eight hours of sick leave per fiscal year to attend educational activities of the employee's children. Currently, state employees may use eight hours of sick leave for parent-teacher conferences.

The bill expands the list of educational activities to include tutoring, field trips and volunteer, classroom, athletic, music or theater programs. This bill applies to children who are students in prekindergarten through 12th grade.

Impact to TxDOT

TxDOT HRD will coordinate with TxDOT Administration to revise the Human Resources Policy Manual to implement the new leave provisions and communicate policy revisions to HRD staff, management and employees via manual revision notice and HRD-Net.

HB 586**Waiving sovereign immunity for certain claims related to state contracts**

Author: Representative Paul Workman

Sponsor: Senator Robert Deuell

Effective Date: September 1, 2013

The bill would amend the Civil Practice and Remedies Code to waive sovereign immunity for the state related to a breach of contract for engineering, architectural, or construction services or for materials related to those services, in which the amount in controversy is not less than \$250,000, excluding penalties, costs, expenses, pre-judgment interest, and attorney fees.

The bill would limit awards to: (1) the balance due and owed by the state agency under contract as it may have been amended, including any amount owed as compensation for the increased cost to perform the work as a direct result of owner-caused delays or acceleration if the contract expressly provided for such compensation; (2) the amount owed for written change orders or additional work required to carry out the contract; (3) reasonable and necessary attorney's fees based on an hourly rate that were equitable and just if the contract expressly provided for such recovery; and (4) interest at the rate specified by the contract or, if a rate was not specified, the rate for post-judgment interest as allowed by state law if the interest rate or price differential was not in the contract, up to 10 percent.

Damages could not include consequential damages, exemplary damages, or damages for unabsorbed home-office overhead. The bill would not waive a defense or a limitation on damages available to a party to the contract, except the bar to a suit based on sovereign immunity. HB 586 would not waive sovereign immunity to suit in federal court or sovereign immunity to suits based on negligence, fraud, tortious interference with a contract, or any other tort. Unless the procedures conflicted with provisions in the bill, contractual adjudication procedures, including requirements for serving notices, alternative dispute resolution proceedings, or arbitration proceedings would be enforceable under HB 586. The bill would allow suits to be filed in a district court in a county where the events or omissions underlying the claim occurred or in a county in which the principal office of the state agency was located. Under the bill, Satisfaction and payment of any judgment may not be paid from funds appropriated to the state agency from general revenue unless the funds are specifically appropriated for that purpose. The bill would not allow property of the state or

any agency, department, or office of the state to be used as a creditors' remedy to satisfy a judgment under the bill. Chapter 2260 of the Government Code would not apply to claims for breach of contract covered by the new Chapter 114 of the Government Code created by the bill.

Impact to TxDOT

Many of TxDOT's contracts for engineering, architectural, or construction services or for materials related to those professional services are exempted by a provision of the bill, because the definition of contracts under the bill does not include a contract that is subject to Section 201.112, Transportation Code, which are: (1) Section 22.018, Transportation Code (airport work designated to TxDOT by a local government); (2) Chapter 223, Transportation Code (construction and maintenance contracts); (3) Chapter 361, Transportation Code (turnpikes and toll roads); (4) Section 391.091, Transportation Code (logo signing); or (5) Chapter 2254, Government Code (professional services contracts). However, there is a possibility that materials relating to a contract for engineering, architectural, or construction services could be purchased under the State Purchasing Act, and therefore this bill would apply to such contracts. Intergovernmental contracts sometimes include architectural, engineering, or construction services and those would likewise be subject to this law. TxDOT may need to rework its contracts to include appropriate alternative dispute resolution proceedings language in the contracts to mitigate any time spent in litigation.

Before January 1 of each even-numbered year, TxDOT shall report the cost of defense of adjudication brought under this bill.

HB 1487**Searchable state expenditure database maintained by the Comptroller**

Author: Representative Linda Harper-Brown

Sponsor: Senator Jose R. Rodriguez

Effective Date: September 1, 2013

HB 1487 requires a state agency that makes a grant in an amount greater than \$25,000 to make the information about the purpose of the grant publicly available on the agency's Internet website. The bill also requires the state agency to provide to the Texas Comptroller of Public Accounts a link to the information and requires the Comptroller to maintain the information on the Comptroller's Internet website through a central portal.

Impact to TxDOT

TxDOT already provides the information required by this legislation. The TxDOT Finance Division will verify with the Comptroller that they do not need any additional data. If more data is required, the Finance Division will work with the affected divisions and technology services to ensure compliance.

HB 1726

Shipping logistics and coordination services for state agencies

Author: Representative Dwayne Bohac

Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 1726 authorizes the Texas Comptroller of Public Accounts to contract with a vendor to provide shipping coordination services to all state agencies and requires the Comptroller to pay the vendor from anticipated savings realized under the contract. The vendor is required to arrange the shipment of goods, parcels and freight using a service that provides the lowest cost for all state agencies. The vendor is also required to maintain a record of each shipment made.

Impact to TxDOT

Under this legislation, the use of the shipping overseer is optional for the Comptroller and the state agencies. The new law does not include items shipped by TxDOT if TxDOT determines that “because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by TxDOT is necessary.”

Thus, TxDOT has the option to use the Comptroller and the new shipping coordination services. If TxDOT is to continue under its current established procedures, a policy may be necessary to determine when “because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by the department are still necessary” applies.

HB 1994

Purchase of certain commodity items by a state agency

Author: Representative Ron Reynolds

Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 1994 exempts a state agency from purchasing an information technology (IT) commodity item through a contract developed by the Department of Information

Resources (DIR), if the DIR certifies that the item is not available for purchase under an existing DIR contract. The bill authorizes a state agency to purchase an IT commodity item through a contract developed by a local government purchasing cooperative if that item is not available under a DIR contract.

Impact to TxDOT

This legislation gives TxDOT another sourcing option that could, in some cases, reduce procurement times. It should have a positive effect on TxDOT. However, if TxDOT chooses to use this option, it should carefully write the contracts. Under the law, a contract developed by a local government purchasing cooperative but used by a state agency to purchase a commodity item is “subject to” all provisions legally required to be included in a state agency contract, even if the provision does not appear in the contract and even if the contract includes a contrary provision.

The effect of this provision is that legally required provisions will be read into the contract. This will be subject to a vendor agreeing to provide the commodity to the state because the terms differ from the agreed-upon terms in the original contract. It is unclear exactly how this would work in practice. The purchase order under the cooperative contract would probably need to include language similar to the statute to put the prospective vendor on notice that the contract with the state may be on different terms than the contract with the cooperative.

HB 2015

Proper classification for workers performing services in connection with government contracts; providing a penalty

Author: Representative John Davis

Sponsor: Senator Kirk Watson

Effective Date: January 1, 2014

HB 2015 amends the Texas Labor Code to establish that an employer awarded a contract for public works must ensure that any individual performing services under such contract (including an individual working for a subcontractor) is properly classified as an employee or independent contractor.

Impact to TxDOT

This legislation applies to a general contractor, subcontractor or person who is awarded the contract for public works. Therefore, it does not appear to directly affect TxDOT and there are no enforcement provisions by the awarding state agency. TxDOT

should consider adding a provision to all affected contracts ensuring compliance with the new law.

HB 2414

Open meetings of governmental bodies held by video conference call and written electronic communications between members of a governmental body

Author: Representative Angie Button
Sponsor: Senator Robert Deuell

Effective Date: June 14, 2013

HB 2414 amends the Texas Government Code regarding open meetings to authorize a member of a governmental body to participate remotely in a meeting by videoconference call and to authorize a governmental body to hold a meeting by videoconference call.

Currently, the Open Meetings Act contains provisions allowing governmental bodies to meet by videoconference call only if a quorum is physically present at one location. This legislation allows governmental bodies to meet by videoconference call, regardless of whether a majority of body's quorum is physically present at one location.

The bill requires that notice of the meeting to be held by videoconference must specify at least one physical location made available for public participation. This location must be equipped with videoconference equipment for members of the public to participate in the meeting and a member of the governmental body who is presiding over the meeting must be present.

The bill provides instances in which certain communications or exchanges of information between members of a governmental body do not constitute a meeting or deliberation.

Impact to TxDOT

If TxDOT chooses to avail itself of these options for open meetings or discussions boards, TxDOT Administration (ADM) will need to work with the TxDOT Maintenance Division (MNT) or the TxDOT Information Technology Operations Division (IOD) to ensure that proper technology and facilities are available to comply with the law. Standard operating procedures and policies may need to be developed.

HB 2873

Development of model contract management processes for use with low-risk state procurements

Author: Representative Linda Harper-Brown
Sponsor: Senator Judith Zaffirini

Effective Date: September 1, 2013

HB 2873 requires the Contract Advisory Team (CAT) to identify the types of procurements that pose a low risk of loss to the state and to develop a model contract management process for use with those procurements which would be included in the contract management guide required under the Texas Government Code.

Impact to TxDOT

Current law requires the Contract Advisory Team (CAT) to create a Contract Management Guide. The bill requires that the low-risk contract processes be added to the Contract Management Guide. TxDOT will need to modify its Purchasing Manual, as appropriate, once the processes are defined.

The bill also requires the CAT to identify the types of procurements that pose a low risk to the state and to develop a model contract management process. The impact to TxDOT purchasing is unknown until the processes are developed. TxDOT will need to modify its Purchasing Manual as appropriate.

HB 3436

Use and development of state property, including real property within the Capitol Complex

Author: Representative Byron Cook
Sponsor: Senator John Whitmire

Effective Date: June 14, 2013

HB 3536 amends the Texas Government Code to prevent the lease, sale or any other disposition of the state's real property or an interest in real property located in the Capitol Complex.

The bill does not affect the ability of the Texas Facilities Commission to lease state buildings and parking garages, but it does amend the Government Code to permit the Texas Facilities Commission to develop a qualifying project within the Capitol Complex only if specifically granted the authority by the Legislature.

The bill also imposes a moratorium on public-private partnership agreements until September

1, 2014. All non-highway public-private partnership agreements would be subject to the moratorium.

It also removes the Dewitt C. Greer Building from the list of state property that the Texas General Land Office is authorized to recommend for sale as underutilized.

Impact to TxDOT

TxDOT has not currently entered into any non-highway public-private partnership (P3) agreements and the new law prohibits it from doing so until September 1, 2014. However, TxDOT will have to implement rules or policies to comply with the new requirements of the law for any P3 agreement that it may enter into after the moratorium.

HB 3648

Award and performance of certain state contracts

Author: Representative Linda Harper-Brown
Sponsor: Senator Ken Paxton

Effective Date: June 14, 2013

HB 3649 amends the Texas Government Code to require the performance of a contract for goods or services awarded to substantially comply with the terms in the written solicitation for the contract and the terms considered in awarding the contract.

The bill also requires the governing body of a state agency to hold a meeting after awarding a contract to consider a material change to the contract and why that change is necessary. Additionally, the bill amends the Texas Government Code provision relating to a government entity awarding a contract to a nonresident bidder and amends the Texas Transportation Code by identifying the terms in which a private sector provider is given preference in awarding a contract.

Impact to TxDOT

TxDOT will not know the full extent of the operational impact to its purchasing function until the Comptroller adopts rules, at which time TxDOT will update the purchasing manual.

This bill would require Texas Transportation Commission action to make a material change to a purchase order after it is awarded. This will serve to discourage amendments. The bill also extends the reciprocity statute to require bid-preference reciprocity when a nonresident contractor's manufacturing will take place in another state.

SENATE BILLS

SB 8

Medical transportation services through a managed transportation delivery model

Author: Senator Jane Nelson

Sponsor: Representative Lois Kolkhorst

Effective Date: September 1, 2013

SB 8 requires the Texas Health and Human Services Commission (HHSC) to provide Medicaid medical transportation services through a managed transportation delivery model using certain managed transportation organizations.

The bill would authorize HHSC to contract with transportation service area providers in certain areas to execute appropriate interlocal agreements and authorizes the HHSC to delay the managed care delivery model in areas of the state operating a full-risk transportation broker model. But it also requires the HHSC to begin the delivery model in all other areas no later than September 1, 2014 with certain exemptions.

Impact to TxDOT

There is no direct impact because TxDOT no longer handles the medical transportation program. However, many publicly funded transit agencies are currently receiving income as medical transportation providers and this is an important funding stream. TxDOT Public Transportation Division and TxDOT Finance Division may want to monitor the implementation and track the effects on transit providers.

SB 59

Agency reporting bill

Author: Senator Jane Nelson

Sponsor: Representative Bill Callegari

Effective Date: September 1, 2013

SB 59 addresses the statutory requirements for state agency reports that are filed with the Governor, Lieutenant Governor, the Speaker of the House of Representatives, members of the Texas Legislature and other state entities. The bill eliminates and amends all eligible statutory workgroup recommendations.

In 2011, during the 82nd Legislative Session, the Texas Legislature passed HB 1781 to amend the Texas Government Code by creating a new examination of

statutory reporting requirements. That bill required the executive directors of state agencies examine the agency's statutory reporting requirements and identify unnecessary or redundant reports or those required to be provided at a frequency for which data is unavailable.

TxDOT is subject to approximately 100 different statutory and appropriations-related reporting requirements and is required to produce reports on an annual or biannual basis.

To comply with HB 1781, TxDOT formed an internal workgroup that reviewed each of the agency's reporting requirements. The workgroup ultimately recommended eliminating six statutorily required reports and eight riders, and amending three reports.

Impact to TxDOT

SB 59 eliminates and amends certain required reports. The bill will have a positive operational impact to TxDOT, saving staff time and money that otherwise would have been spent to prepare, print and store these reports. Eliminating unnecessary reports will boost agency productivity.

SB 162

Occupational licensing of spouses of members of the military and the eligibility requirements for certain occupational licenses issued to applicants with military experience

Author: Senator Leticia Van de Putte
Sponsor: Representative Dan Flynn

Effective Date: May 18, 2013

SB 162 requires all state agencies to expedite occupational licenses to active duty military, military spouses or recent veterans and issue the license if they have a substantially similar current license issued by another jurisdiction.

Impact to TxDOT

TxDOT can require that eligible applicants meet the state requirements at the time of the license renewal. TxDOT must give notice of the renewal requirements and allow one year for applicants to submit all information required for the renewal.

Although it only issues one occupational license to outdoor advertising companies, the new law requires TxDOT to comply with these provisions for the license it issues.

SB 176

Distribution of certain consultants' reports

Author: Senator John Carona
Sponsor: Representative Dan Flynn

Effective Date: June 14, 2013

SB 176 amends the Texas Government Code to require that consulting services contracts include a provision that allows the contracting state agency to distribute any report produced from the contract and post it on the website belonging to either the agency or a standing legislative committee.

Impact to TxDOT

There will be minimal impact to TxDOT. TxDOT will need to include a provision in its private consulting agreements to allow the final consultant report to be placed on its website or that of a standing legislative committee.

SB 246

Electronic submission of a request for an attorney general opinion

Author: Senator Royce West
Sponsor: Representative Linda Harper-Brown

Effective Date: September 1, 2013

SB 246 authorizes the electronic submission of a request for an opinion from the Office of the Attorney General. Current law requires a request for an attorney general opinion to be sent by certified or registered mail with return receipt requested.

Impact to TxDOT

This legislation allows TxDOT to electronically submit requests for opinions to the Office of the Attorney General. This bill will streamline the submission process and make it easier to meet deadlines.

SB 471

Technological efficiencies in the recording of certain open meetings

Author: Senator Rodney Ellis
Sponsor: Representative Linda Harper-Brown

Effective Date: May 18, 2013

SB 471 updates the state open meetings law to expand the options for recording procedures. Under current law, tape recordings of public meetings must be kept.

Impact to TxDOT

The bill removes the word “tape” from the law and adds a definition of "recording" to encompass audio and video recordings in attempt to be as broad as possible to cover any new recording technology.

SB 700

Energy and water management planning and reporting by state agencies and institutions of higher education

Author: Senator Glenn Hegar

Sponsor: Representative Kyle Kacal

Effective Date: September 1, 2013

SB 700 bill requires the State Energy Conservation Office (SECO) to prepare guidelines and a template for state agencies to use in creating an energy and water management plan.

Each state agency is required to set percentage goals reducing the agency's use of water, electricity, gasoline and natural gas and include those goals in its comprehensive energy and water management plan.

By December 1 of each even-numbered year, SECO will submit a report to the Governor and the Legislative Budget Board on the status and effectiveness of the utility management and conservation efforts of state agencies.

Impact to TxDOT

TxDOT will be required to adapt to any changes made by SECO. However, TxDOT currently reports all energy usage (except water) to SECO on a quarterly basis.

SB 887

Use of correctional instruments for non-material inadvertent or clerical errors in certain circumstances

Author: Senator Carlos Uresti

Sponsor: Representative Bob Orr

Effective Date: September 1, 2013

SB 887 amends the Texas Property Code to broaden the ability to use a correction instrument for nonmaterial inadvertent or clerical errors including, in certain circumstances, the correction omission of the legal description. This bill also amends the Texas Property Code to clarify how correction instruments will be addressed in the chain of title and conveyances

Impact to TxDOT

The bill may provide TxDOT with the opportunity to

more easily correct certain nonmaterial mistakes in real property conveyance documents.

SB 953

Adoption of the Uniform Trade Secrets Act

Author: Senator John Carona

Sponsor: Representative Gary Elkins

Effective Date: September 1, 2013

SB 953 seeks to adopt a modified version of the Uniform Trade Secrets Act by providing a simple legislative framework to litigate trade secret issues in Texas.

The protection of trade secrets is covered by common law. Texas does not have a statute governing trade secrets law, but rather provides for a criminal penalty for the theft of a trade secret under the Texas Penal Code.

The Uniform Trade Secrets Act represents modern trade secrets law for the 46 states that have adopted it. It codifies the common law and clarifies ambiguities. Texas is still one of the few states that have not adopted the Uniform Trade Secrets Act.

Generally, a trade secret is information that is not generally known, has economic value and has been generated by the work of a specific person or persons who have an interest in protecting its value. While patents and copyrights offer limited protection for trade secrets, the Uniform Trade Secrets Act may provide injunctive relief to a person injured by misappropriation of a trade secret. This relief may also condition future use on the payment of royalties and the recovery of damages for the injured party.

Impact to TxDOT

There is minimal operational or fiscal impact to TxDOT beyond ensuring that all rules and policies are compliant with the new statute.

SB 984

Meeting of a governmental body held by videoconference call

Author: Senator Rodney Ellis

Sponsor: Representative Charles Perry

Effective Date: September 1, 2013

SB 984 amends the Texas Government Code to allow a meeting of a state governmental body or governmental body that extends into three or more counties to be held by videoconference call if the member presiding

over the meeting is physically present at one location of the meeting that is open to the public.

The bill removes the requirement that remote locations of the other members be open to the public and posted in the notice of the meeting. The notice of the meeting to be held by videoconference call must specify the meeting location where the presiding officer will physically be located. It also requires two-way communications for each remote location from which a member of the governmental body participates.

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. This bill might prove useful in case of an emergency meeting of the Texas Transportation Commission. TxDOT may adopt rules or policies on how to use this option, if necessary.

SB 1033

Registration and use of marks, including trademarks and service marks

Author: Senator John Carona

Sponsor: Representative Jason Villalba

Effective Date: September 1, 2013

SB 1033 corrects and clarifies certain provisions of the Texas Trademark Act contained in the Texas Business and Commerce Code. The bill makes clear that the Texas Trademark Act does not apply to a trade name, unless the trade name functions as a mark, consistent with federal and state law. Additionally, while Texas law permits the token use of a mark to reserve a right to that mark, SB 1033 clarifies that such token use is insufficient to register a mark. The bill also changes the time when a mark may be renewed.

Impact to TxDOT

There is minimal fiscal or operational impact to TxDOT because TxDOT will likely use federal rather than state registration. The bill makes minor changes to the state (not federal) registration of trademarks or service marks. It also excludes the registration of trade names and prohibits the registration of a mark merely to hold it rather than use it.

SB 1297

Written electronic communications between members of a governmental body

Author: Senator Kirk Watson

Sponsor: Representative Dan Branch

Effective Date: September 1, 2013

SB 1297 amends the Texas Government Code to permit a governmental body to create an online message board and clarifies that these message boards do not constitute a public meeting as long as they meet the criteria described by the bill.

Impact to TxDOT

There is minimal fiscal or operational impact to TxDOT. This bill would only apply to TxDOT if the Texas Transportation Commission set up and used an online message board. If the commission were to choose to use an online message board, the TxDOT Office of General Counsel would work with the TxDOT Administration (ADM) and the TxDOT Information Technology Division to make sure that policies were in place to comply with the law's provisions.

SB 1368

Public information pertaining to the official business of governmental bodies and to contracts by certain state governmental entities that involve the exchange or creation of public information

Author: Senator Wendy Davis

Sponsor: Representative Carol Alvarado

Effective Date: September 1, 2013

SB 1368 requires that a contract between a state governmental entity and a nongovernmental vendor involving the exchange or creation of public information to be drafted in consideration of the requirements of public information statute. These contracts must contain a provision requiring the vendor to make the information that is subject to disclosure available to the public.

Impact to TxDOT

TxDOT Office of General Counsel will work with the TxDOT Contract Services Office and TxDOT Procurement Division to determine if additional standard contract terms are needed to comply with the law's provisions.

SB 1681

Oversight and management of state contracts

Author: Senator Judith Zaffirini

Sponsor: Representative Linda Harper-Brown

Effective Date: November 1, 2013

SB 1681 requires the Texas Comptroller of Public Accounts to establish threshold requirements which exclude small or routine contracts and purchase orders

from application of the chapter of the Texas Government Code that pertains to statewide contract management and requires the Comptroller to consult with agencies in developing contract forms, terms and criteria.

The bill requires the Comptroller to certify contract managers who have completed contract management training and to develop an abbreviated training program for which all members of a governing body shall complete (excluding agencies that do not enter into contracts). The Comptroller must then evaluate a vendor's performance based on Comptroller's criteria and information reported by state agencies.

The Contract Advisory Team (CAT) is required to review and make recommendations on solicitation and final contract documents with a value of at least \$10 million. SB 1681 changes the composition of the CAT by adding a member from the Texas Health and Human Services Commission, the Texas Facilities Commission and a member from a small agency (fewer than 100 employees). It also removes a member of the Office of the Attorney General, but the OAG would provide legal assistance to the team.

The Contract Advisory Team is authorized to provide recommendations and assistance to state agencies throughout the contract management process; to coordinate with the Quality Assurance Team on contracts for major information resources projects; and create and periodically review a formula to determine the appropriate level of management and oversight of contracts by state agencies. The Comptroller would be required to oversee the activities of the CAT.

Impact to TxDOT

The Texas Transportation Commission will be required to attend one-time contracting training and TxDOT must comply with each CAT recommendation or document the reason why it is not applicable to the contract. TxDOT will need to monitor the Comptroller's rulemaking to know any additional impact and implementation strategy and will modify the Purchasing Manual, as appropriate.

STATE EMPLOYEES

HOUSE BILLS

HB 2020

Adoption of wellness policies and programs by state agencies

Author: Representative Myra Crownover

Sponsor: Senator Bob Deuell

Effective Date: June 14, 2013

HB 2020 amends the Texas Government Code to permit state agencies to develop a wellness program that would increase productivity and reduce health insurance costs.

The bill permits state agencies to offer financial incentives for participation, to offer onsite clinic or pharmacy services in accordance with the Texas Occupations Code and to adopt additional wellness policies determined by each state agency.

In awarding a contract for onsite clinic services, state agencies are permitted to consider whether applicable businesses are based in Texas.

Impact to TxDOT

TxDOT currently has a wellness program in place. HB 2020 further strengthens the emphasis on employee wellness and will allow TxDOT to expand its offerings. TxDOT Human Resources Division would review the wellness program with TxDOT Administration, TxDOT Office of Compliance and Ethics and TxDOT Occupational Safety Division to determine if and how the existing wellness program may be improved upon by incorporating the new provisions.

SENATE BILLS

SB 1459

Benefits and programs administered by the Employees Retirement System

Author: Senator Robert Duncan

Sponsor: Representative Bill Callegari

Effective Date: September 1, 2013

SB 1459 changes the state insurance and retirement programs administered by the Employees Retirement System of Texas (ERS). Retirement contribution rates for members increase will increase and state agencies must contribute a portion of their payroll to employee retirement in addition to current employer contributions.

Member rates will increase each fiscal year from the current rate of 6.5 percent of the member's annual compensation to 7.5 percent by fiscal year 2017.

Beginning on September 1, 2013, state agencies began making monthly retirement contributions equal to 0.5 percent of their total payroll. After September 1, 2017, member contribution rates will drop to correspond with any decrease in the state's contribution rate from the level set during the 2015 legislative session.

The bill also changes the retirement eligibility criteria and annuity calculation for employees hired on or after September 1, 2013. Their retirement annuity is based on the 60 highest months of compensation, rather than the 36 or 48 month calculations used for current employees hired prior to September 2013.

Employees will still be required to meet the Rule of 80 (service credit and age must equal 80) to be eligible to retire, but employees hired on or after September 1, 2013 will need to be 62 years of age to receive full retirement benefits. However, employees who meet the Rule of 80 prior to their retirement age may still retire subject to a five percent reduction for each year they retire prior to their retirement age.

HB 1459 eliminates unused sick and annual leave from calculations for retirement eligibility. Sick leave may continue to be used to increase annuity amount. However, vacation time must be either used for an annuity calculation increase or be paid out as a lump sum payment but not both.

Also, new employees hired on or after September 1, 2014 will have their health coverage begin the first of the month following their 60th day of employment. The bill decreases (from 40 hours to 30 hours) the minimum number of hours per week that an employee must work to be considered a "full-time employee" in a benefit-eligible position. The bill also adds a definition of "eligible dependents" to include a child for whom the member served as managing conservator.

Impact to TxDOT

The TxDOT Finance Division will need to account for monthly retirement contributions equal to 0.5 percent of the total payroll. TxDOT Human Resources Division will have to implement changes for new employees and update the appropriate policy and operating manuals.

SB 1892**Composition of the Texas Coordinating Council for Veteran Services**

Author: Senator Sylvia Garcia

Sponsor: Representative Jose Menendez

Effective Date: September 1, 2013

SB 1892 adds the chief executive or a designated representative of several government entities, including TxDOT, to the Texas Coordinating Council for Veterans Services. The council coordinates the activities of state agencies for specific issues, including transportation, affecting veterans.

Impact to TxDOT

TxDOT Executive Director Phil Wilson designated Eric Gleason, director of the Public Transit Division to serve.

SUNSET REVIEWS

HOUSE BILLS

Please see HB 1642, Port of Houston sunset bill, in Maritime section

HB 1675

Sunset review process and certain governmental entities subject to that process (TxDOT sunset bill)

Author: Representative Dennis Bonnen
Sponsor: Senator Robert Nichols

Effective Date: June 14, 2013

HB 1675 determines the sunset date for state agencies subject to the Texas Sunset Commission review. The bill amends the Texas Transportation Code to change TxDOT's sunset date from September 1, 2015 to September 1, 2017.

The bill also adds significant powers to the Sunset Commission. The commission or its staff may attend any meeting or proceeding of a state agency, including a closed meeting or proceeding and may inspect any record, document or file of a state agency, including an attorney work product, an attorney-client communication or a document that is privileged or confidential by law.

A state agency may redact information if federal law prohibits state agencies from disclosing information in a record, document, or file to the commission, including information in a record, document or file created as a result of or considered during a meeting or proceeding.

A state agency may require the Sunset Commission or its staff to sign a confidentiality agreement.

State agencies do not waive the attorney-client privilege or confidentiality protected or required by law with respect to a communication, record, document or file provided to the commission for its review.

Impact to TxDOT

Unless TxDOT's Sunset date is amended in the 84th Legislature, TxDOT will begin the sunset review process in the fall of 2015. By January 1, 2015, TxDOT is required to submit a 2014 Audited Financial Report to the Sunset Commission. Under current law, an audit is required prior to sunset review.

HB 1717

Continuation and functions of the Texas Board of Architectural Examiners

Author: Representative Four Price
Sponsor: Senator Robert Nichols

Effective Date: September 1, 2013

HB 1717 changes or increases many of the administrative fines and fees charged by the Texas Board of Architectural Examiners (TBAE), the state agency that licenses architects and landscape architects, receives and investigates complaints, takes enforcement action and provides information to the public and to licensees.

For architects and landscape architects seeking renewal of expired certificates, HB 1717 directs the TBAE to link the late fees for renewal to a multiple of the regular renewal fees charged to architects. The bill also requires a \$200 fee increase for the initial registration certificate and subsequent renewal of certificate.

Beginning on September 1, 2013, when imposing an administrative penalty to punish a violation by an architect or a landscape architect, the TBAE will consider each day a violation occurred or continued as a separate violation.

Beginning January 1, 2014, HB 1717 will require criminal background checks for all applicants for initial or renewed certification as an architect or landscape architect. New applicants for initial certification must submit a complete and legible set of fingerprints to the TBAE or the Texas Department of Public Safety for the purpose of conducting state and national criminal history checks.

The TBAE will adopt the rules to implement HB 1717 by December 1, 2013.

Impact to TxDOT

The TxDOT Human Resources Division (HRD) will coordinate with TxDOT Administration for approval of payment for registration certificate and criminal background check fee for architects. HRD must update and communicate the policy and operating procedures to reflect new TBAE rules.

SENATE BILLS

SB 204

Continuation and functions of the Texas Board of Engineering Examiners

Author: Senator Robert Nichols
Sponsor: Representative Four Price

Effective Date: September 1, 2013

SB 204 addresses the functions of the Texas Board

of Professional Engineers (TBPE), the state agency that licenses professional engineers, certifies engineers-in-training, registers engineering firms and investigates complaints of illegal or incompetent practices by licensed and unlicensed persons, taking disciplinary action when necessary.

Under SB 204, the TBPE can temporarily suspend the license, certificate or registration of a person if the TBPE determines that the person's continued practice constituted an imminent threat to the public welfare. The TBPE can also suspend a license, certificate or registration without a hearing so long as action was taken to initiate proceedings for a State Office of Administrative Hearings (SOAH) hearing.

The SOAH is required hold the hearing within 14 days following the date of the temporary suspension to determine if there was probable cause for the TBPE's determination. A final hearing would be held no later than 61 days after the suspension.

The bill allows the TBPE to issue a cease-and-desist order to a person not licensed, certified, or registered by the TBPE who is violating a statute or rule relating to the practice of engineering. The law also increases the maximum administrative penalty amount from \$3,000 to \$5,000 per violation per day for a violation that occurs after the effective date of the bill.

The TBPE will adopt policies and guidelines for the exam procedures, including exam admission, administration and national exam requirements. The TBPE will post online policies for exam procedures or those of any national organization selected by the TBPE to administer an exam.

SB 204 requires the TBPE to obtain criminal background checks for all applicants for initial or renewed licensure. Applicants would be required to submit a complete and legible set of fingerprints to the board or the Texas Department of Public Safety for the purpose of conducting criminal history checks. The criminal history background check requirement would apply only to applications for licenses or renewals filed on or after January 1, 2014.

The TBPE will adopt rules to implement the changes made by SB 204 by December 1, 2013.

Impact to TxDOT

The TxDOT Human Resources Division (HRD) will coordinate with TxDOT Administration for the approval of payment for license fees and criminal

background check fees for engineers. HRD must update and communicate the policy and operating procedures to reflect new TBPE rules.

SB 211

Continuation and functions of the Texas Facilities Commission

Author: Senator Robert Nichols

Sponsor: Representative Harold Dutton, Jr.

Effective Date: June 14, 2013

SB 211 amends various provisions of the Texas Government Code with regard to the functions, authority and responsibilities of the Texas Facilities Commission (TFC). This directly impacts TxDOT by amending the Public and Private Partnership Act (P3 Act) set out in certain chapters of the existing Government Code, specifically:

Requiring the TFC to provide the professional staff and financial and technical expertise to support the Partnership Advisory Commission in its review and evaluation of qualifying project proposals.

Prohibiting the TFC from leasing, selling or otherwise disposing of real property in the Capitol Complex, including the Dewitt C. Greer Building. The TFC is also restricted from developing a P3 project in the Capitol Complex unless the Texas Legislature specifically authorizes the project.

Imposing review guidelines and criteria on TFC for P3 projects that are in addition to those imposed on all state agencies under the P3 Act. The additional requirements include more TFC meetings, notice, public hearings and submission to the Contract Advisory Team.

Amending sections of the Texas Government Code dealing with P3 agreements for non-highway projects.

Impact to TxDOT

The changes materially impact the flexibility previously granted by state law to governmental entities for developing complex qualified projects, especially those that rely on some private commercialization. The changes also substantially extend the length of the process by inserting additional steps. TxDOT must modify its proposed guidelines to implement the P3 Act to incorporate the new requirements.

TEXAS DEPARTMENT OF MOTOR VEHICLES

HOUSE BILLS

HB 120

Military plates

Author: Representative Lyle Larson

Sponsor: Senator Donna Campbell

Effective Date: September 1, 2013

HB 120 directs the Texas Department of Motor Vehicles to issue specialty license plates for the recipients of the Defense Superior Service Medal. One set of the new specialty license plate is to be issued without payment of the vehicle registration fee. Vehicles displaying the plate are exempt from parking fees charged by a governmental entity other than the federal government.

Impact to TxDOT

There would be a slight decrease in registration fee revenue to the State Highway Fund. The TxDOT Office of General Counsel should examine the effects for possible impairment of State Highway Fund revenue bonds.

HB 1678

Surviving spouse military plate

Author: Representative John Frullo

Sponsor: Senator Robert Duncan

Effective Date: September 1, 2013

HB 1678 specifies that specialty license plates for surviving spouses of disabled veterans may be issued without payment of the vehicle registration fee.

Impact to TxDOT

There could be a slight decrease in registration fee revenue to the State Highway Fund. TxDOT Office of General Counsel should examine the effects for possible impairment of State Highway Fund revenue bonds.

HB 2202

Disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles; authorizing fees

Author: Representative Joe Pickett

Sponsor: Senator Tommy Williams

Effective Date: September 1, 2013

HB 2202 amends the Texas Transportation Code to

create a new Texas Department of Motor Vehicles Fund (TxDMV Fund) in the State Treasury outside of the General Revenue Fund and the State Highway Fund (Fund 6).

The bill amends various provisions of the Transportation Code to direct other fees or portions of fees currently deposited to Fund 6 to the new TxDMV fund, including fees related to the titling and registration of vehicles, issuance of license plates, registration and regulation of commercial vehicles and issuance of disabled parking placards.

Money that is required to be deposited in the TxDMV Fund could be used only to support TxDMV operations and the administration and enforcement of its functions or to pay the accounting costs and related liabilities for the fund.

HB 2202 also specifies that on September 1, 2013, \$59 million of existing revenue from fees collected or received by the TxDMV under the Transportation Code from November 1, 2009 to August 31, 2013 shall be transferred to and deposited in the new TxDMV Fund.

Impact to TxDOT

The TxDOT Finance Division (FIN) will need to work with the Comptroller and the TxDMV to ensure the transfer of funds as required by the law. The TxDOT Office of General Counsel (OGC) will work with FIN and the TxDOT Debt Management Office (DMO) to make any bond impairment determinations and legally required disclosures to bondholders.

HB 2485

Air medal plate

Author: Representative J.D. Sheffield

Sponsor: Senator Brian Birdwell

Effective Date: September 1, 2013

HB 2485 directs the Texas Department of Motor Vehicles to issue specialty license plates for recipients of the Air Medal and Air Medal with Valor. The registration fee is waived for one set of plates per eligible recipient. Vehicles with such plates are exempt from parking fees collected by governmental entities other than the federal government.

Impact to TxDOT

According to TxDOT Office of General Counsel (OGC), there could be a slight decrease in registration fee revenue to the State Highway Fund as a result of this legislation. OGC has determined that due to the minimal impact, this change does not require reporting.

SENATE BILLS

SB 563

Defense superior service license plate

Author: Senator Glenn Hegar

Sponsor: Representative John Zerwas

Effective Date: September 1, 2013

SB 563 directs the Texas Department of Motor Vehicles to issue specialty license plates for recipients of the Defense Superior Service Medal. One set of license plates shall be issued without the payment of the registration fee.

Impact to TxDOT

There could be a slight decrease in registration fee revenue to the State Highway Fund as a result of this legislation. TxDOT Office of General Counsel should examine the effects for possible impairment of State Highway Fund revenue bonds and determine whether this is a reportable event.

MISCELLANEOUS BILLS SPECIFIC TO THE TEXAS DEPARTMENT OF TRANSPORTATION

HOUSE BILLS

HB 3422

Donation of landscape materials

Author: Representative George Lavender

Sponsor: Senator Kevin Eltife

Effective Date: June 14, 2013

HB 3422 amends the Texas Transportation Code to require the Texas Transportation Commission, by rule, to establish a program to allow TxDOT to accept donations of landscape materials for state highways and to enter into agreements with individuals or private entities to provide services for the installation or maintenance of landscaping on state highways at no cost to TxDOT.

Impact to TxDOT

The TxDOT Maintenance Division, in coordination with TxDOT's Office of General Counsel, will be responsible for developing rules for the program.

SENATE BILLS

SB 1017

Operation of state Travel Information Centers by private and nonprofit entities

Author: Senator Ken Paxton

Sponsor: Representative George Lavender

Effective Date: June 14, 2013

SB 1017 allows TxDOT to issue a request for proposals to private or nonprofit entities to operate the Travel Information Centers (TICs). TxDOT may enter into an agreement with another state agency, local governments or the state's regional councils of government to operate the TICs. TxDOT may also sell commercial advertising space at TICs and requires TxDOT to set rates that will generate receipts approximately sufficient to cover operational costs. TxDOT cannot engage in activity that would decrease federal funding.

TxDOT may also to enter into an agreement for the acknowledgement of donations. All proceeds from the sale of the items, advertising and donations must be deposited in a separate account in the State Highway Fund dedicated to travel and information operations.

Impact to TxDOT

The bill allows for flexibility with TIC operations, commercial advertising, acknowledgement of donations and the sale of items. TxDOT will be required to deposit certain proceeds in a separate account in the State Highway Fund.

TOLL ENFORCEMENT REMEDIES

SENATE BILLS

SB 1792

Remedies for nonpayment of tolls for the use of toll projects; authorizing a fee; creating an offense

Author: Senator Kirk Watson

Sponsor: Representative Larry Phillips

Effective Date: June 14, 2013

SB 1792 amends the Texas Transportation Code to create enforcement remedies aimed at habitual toll violators. It applies to tolling entities in the state with the exception of the Harris County Toll Road Authority.

Habitual violators are defined as those who have accumulated 100 or more unpaid tolls in a year or less and have been issued two notices of nonpayment. The bill authorizes toll entities to determine that the registered owner of a vehicle is a habitual violator for the nonpayment of tolls and administrative fees.

The enforcement remedies include: refusal of vehicle registration; prohibiting the operation of a vehicle on tollways, the violation of which is a Class C misdemeanor; and vehicle impoundment upon proof of repeat violations. Toll project entities may also seek habitual violator remedies against lessees of vehicles and owners of vehicles not registered in Texas. The bill outlines the policies and procedures for a toll project entity to notify the registered owner. TxDOT may also post the names of toll violators on its web site.

Impact to TxDOT

TxDOT will develop policies and internal processes related to identifying habitual violators, providing required notices and exercising the remedies. TxDOT may need to establish agreements with organizations outside of Texas to serve Notices of Nonpayment and contract with law enforcement agencies to enforce any prohibition orders. TxDOT will need to coordinate with the Office of the Attorney General for representation in the initial hearing and on appeal.

TxDOT began publishing the list of owners of nonpaying vehicles. TxDOT, through the Texas Department of Motor Vehicles (TxDMV), will coordinate with the various county tax assessor-collectors on actual registration holds and reinstatement once outstanding tolls have been resolved by the violator. System changes will be needed for reporting and data exchange with TxDMV.

TOLLS

HOUSE BILLS

HB 341

Exclusion of certain mineral rights from property interests that may be condemned by a regional mobility authority

Author: Representative Jim Pitts
Sponsor: Senator Robert Nichols

Effective Date: June 14, 2013

HB 341 amends the Texas Transportation Code, to prohibit a regional tollway authority from using eminent domain to acquire a property owner's interests in any of the oil, gas and sulphur that can be removed from beneath the real property.

The bill also provides that the exclusion "shall be made without providing the owner of the oil, gas or sulphur any right of ingress or egress to or from the surface of the land to explore, develop, drill or mine the real property."

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. The bill would not apply to the acquisition of mineral rights by TxDOT, which is governed by similar restrictions in the Texas Transportation Code.

HB 1123

Discount programs for certain veterans provided by toll project entities

Author: Representative Abel Herrero
Sponsor: Senator José Rodríguez

Effective Date: September 1, 2013

HB 1123 amends the Texas Transportation Code to require a toll project entity (regional tollway authority, regional mobility authority or county toll road authority) to offer free or reduced tolls to vehicles registered with Legion of Valor military specialty license plates if the toll entity establishes a discount program for electronic toll customers.

TxDOT currently allows vehicles that are actively registered with the State of Texas and displaying a Disabled Veteran, Purple Heart or Medal of Honor specialty license plate to use TxDOT toll roads free of charge.

The bill requires TxDOT to offer free or reduced tolls to vehicles registered with Legion of Valor specialty plates.

The Legion of Valor and Medal of Honor plates are different plates, although the Medal of Honor recipients are also eligible for Legion of Valor plates. It is unlikely that the intent was to eliminate program eligibility for those Medal of Honor recipients who have Medal of Honor plates instead of Legion of Valor plates.

Impact to TxDOT

Based on the number of vehicles registered with Legion of Valor specialty plates, it is assumed the provisions of the bill are not likely to result in a significant impact.

SENATE BILLS

SB 1029

Conversion of a nontolled state highway or segment of the state highway to a toll project

Author: Senator Donna Campbell
Sponsor: Representative Larry Phillips

Effective Date: June 14, 2013

SB 1029 amends the Texas Transportation Code to remove certain provisions that authorize the Texas Transportation Commission and TxDOT to convert a non-tolled state highway or segment of non-tolled state highway to a toll project.

The bill removes the previous exception that the highway or segment was open to traffic as a turnpike project on or before September 1, 2005.

It also repealed sections relating to the Texas Transportation Commission making the determination to convert the highway or segment to a toll facility and obtaining county and voter approval. Managed lanes are now included in the in the remaining exceptions and will continue.

Impact to TxDOT

There is no fiscal or operational impact to TxDOT. The Texas Transportation Commission has previously been prohibited from converting a nontolled highway to a toll project.

TRAFFIC SAFETY

HOUSE BILLS

HB 347

Prohibiting using a wireless communication device while operating a motor vehicle on school property

Author: Representative Jim Pitts
Sponsor: Senator Robert Nichols

Effective Date: September 1, 2013

HB 347 amends the Texas Transportation Code to prohibit the use of a wireless communication device while operating a motor vehicle on the property of a public elementary, middle, junior high or high school during the time a reduced speed limit is in effect for the school crossing zone, unless the vehicle is stopped or a hands-free device is used.

This prohibition preempts all local ordinances, rules or regulations adopted by a political subdivision relating to the use of a wireless communication device by the operator of a motor vehicle, except ordinances that prohibit the use of a wireless communication device while operating a motor vehicle throughout its entire jurisdiction.

Impact to TxDOT

Because of the potential for confusion about posting requirements, TxDOT's Traffic Operations Division and TxDOT districts will provide local jurisdictions guidance on sign designs in the Texas Manual on Uniform Traffic Control Devices.

HB 567

Definition of an authorized emergency vehicle

Author: Representative Wayne Smith
Sponsor: Senator Robert Nichols

Effective Date: June 14, 2013

HB 567 redefines the term "authorized emergency vehicle" to include a public or private ambulance issued a license by the Department of State Health Services (DSHS) and an emergency medical services vehicle authorized under an emergency medical services provider license issued by DSHS and operating under a contract with an emergency services district.

Impact to TxDOT

The TxDOT Toll Operations Division may be required to work with TxDOT's Office of General Counsel on a new minute

order addressing the free passage of emergency vehicles.

HB 695

Funding state highway markers

Author: Representative Larry Phillips
Sponsor: Senator Robert Nichols

Effective Date: June 14, 2013

HB 695 amends the Texas Transportation Code to prohibit TxDOT from designing, constructing or erecting a marker identifying a state highway as a memorial unless it receives a donation or grant to cover the costs.

The bill also requires TxDOT to accept grants or donations to help finance the cost of memorial markers.

Impact to TxDOT

TxDOT will no longer be able to pay for memorial designation signs. The TxDOT Traffic Operations Division will inform TxDOT districts of this change.

HB 719

Operation of golf carts on public highways

Author: Representative Geanie Morrison
Sponsor: Senator Glenn Hegar

Effective Date: June 14, 2013

HB 719 allows certain counties (Childress, Hardeman, Wilbarger, Wichita, Clay, Montague, Cooke, Grayson, Fannin, Lamar, Red River, Bowie, Calhoun and Aransas) to authorize golf carts on all public roads with a speed limit of less than 35 mph.

TxDOT may not override this authority for state roads with certain sections that might have a 35 mph speed limit. Golf carts are also allowed to cross roads that have a higher speed limit.

Impact to TxDOT

Currently, TxDOT has no implementation requirements under this bill, but affected districts should be aware of it as it can affect traffic safety in their areas.

HB 1044

ATV operation on beaches

Author: Representative Craig Eiland
Sponsor: Senator Tommy Williams

Effective date: September 1, 2013

HB 1044 amends the Texas Natural Resources Code, the Texas Parks and Wildlife Code and the Texas Transportation Code relating to the operation of all-terrain vehicles and recreational off-highway vehicles.

The bill authorizes the state, county or municipal owners of all-terrain or recreational vehicles operated on a public beach or highway to register those vehicles in order to maintain public safety and welfare. The bill also allows TxDOT, a county or a municipality to prohibit the operation of an all-terrain vehicle on a beach if the governing body determines that the prohibition is necessary for public safety.

Impact to TxDOT

The bill does not require TxDOT action, but it may be of general interest to TxDOT districts and divisions.

HB 802

Definition of an authorized emergency vehicle

Author: Representative Toni Rose
Sponsor: Senator John Carona

Effective Date: June 14, 2013

HB 802 amends the Texas Transportation Code to expand the definition of “authorized emergency vehicle” to include county-owned or leased emergency management vehicles that have been designated or authorized by the commissioners court.

Impact to TxDOT

Under the Texas Transportation Code, authorized emergency vehicles may use TxDOT toll roads free of charge. This change in law will need to be communicated to TxDOT’s private (CDA) toll road operators.

HB 1097

Work zone speed limit signs and fines

Author: Representative Kenneth Sheets
Sponsor: Senator Ken Paxton

Effective date: September 1, 2013

HB 1097 amends the law relating to the amount of a fine for certain traffic offenses committed within a construction or maintenance work zone. Barricades or warning signs must specify that a construction or maintenance work zone is marked by at least one sign that indicates the maximum lawful speed.

Impact to TxDOT

The TxDOT Traffic Operations (TRF) will amend the existing traffic control standards to include a speed limit sign at the beginning of each work zone. TxDOT’s TRF and Construction (CON) Divisions will inform TxDOT districts of the new law and ensure that signs are posted where applicable.

HB 1294

Child safety seat penalties

Author: Representative Four Price
Sponsor: Senator Kel Seliger

Effective date: September 2013

HB 1294 sets the fine for child safety seat violations at not less than \$25 and not more than \$250.

Impact to TxDOT

While there are no implementation requirements for TxDOT, this bill may be of general interest to the TxDOT Traffic Operations Division (TRF) as that division manages occupant protection grant funding.

HB 2204

Establishment of a variable speed limit pilot program by the Texas Transportation Commission

Author: Representative Joe Pickett
Sponsor: Senator Kirk Watson

Effective Date: June 14, 2013

HB 2204 amends the Texas Transportation Code to require the Texas Transportation Commission to establish a variable speed pilot program. The program will assess the effectiveness of lowering speed limits to address inclement weather, congestion, construction, or any other condition that impacts the safe movement of traffic. The bill requires that a speed limit established under the program be based on a traffic and engineering investigation.

The Texas Transportation Commission is also required to submit a report to the Texas Legislature regarding the pilot program by December 31, 2014.

The provisions of HB 2204 expire on February 1, 2015.

Impact to TxDOT

At its November meeting in Tyler, Texas, the Texas Transportation Commission adopted rules concerning procedures for establishing speed zones. The TxDOT Traffic Operations Division (TRF), in consultation

with the TxDOT Office of General Counsel (OGC), will develop rules for the program and prepare the final legislative report. TRF will also identify and setup the test sites in coordination with the impacted TxDOT districts, develop the parameters and procedures for the variable speed limits and coordinate with law enforcement agencies at the test locations.

campaign to inform drivers of the new law.

SENATE BILLS

SB 223

Designation of certain motor vehicles of the Texas Division of Emergency Management as authorized emergency vehicles

Author: Senator Kirk Watson

Sponsor: Representative Phillip Gomez

Effective Date: May 10, 2013

SB 223 designates certain vehicles of the Texas Division of Emergency Management (TxDEM) as authorized emergency vehicles.

Impact to TxDOT

The TxDOT Toll Operations Division may be required to work with the TxDOT Office of General Counsel on a new minute order addressing the free passage of emergency vehicles.

SB 510

Passing certain vehicles on a highway: providing a penalty (Move Over or Slow Down for TxDOT work crews)

Author: Senator Robert Nichols

Sponsor: Representative Armando Martinez

Effective Date: September 1, 2013

SB 510 amends the Texas Transportation Code to add TxDOT vehicles to the existing Move Over or Slow Down law. The bill requires a motor vehicle operator, on approaching a TxDOT vehicle that is not separated from the roadway by a traffic control channelizing device and using visual signals, to vacate the lane closest to the TxDOT vehicle or to slow to a specified speed.

The bill defines a "traffic control channelizing device" as equipment used to warn and alert drivers of conditions created by work activities in or near the traveled way, to protect workers in a temporary traffic control zone and to guide drivers and pedestrians safely.

Impact to TxDOT

TxDOT will implement a public outreach

TRANSPORTATION REINVESTMENT ZONES

HOUSE BILLS

Please see HB 2300 in the Energy Sector section

HB 2636

Transfer of money from the tax increment fund established for a tax increment financing reinvestment zone to the fund established for an adjacent zone

Author: Representative John Frullo

Sponsor: Senator Robert Duncan

Effective Date: September 1, 2013

HB 2636 amends the Texas Tax Code to provide that money in a tax increment fund for a transportation reinvestment zone (TRZ) may be transferred to the tax increment fund for an adjacent zone if: the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa, each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone, each participating taxing unit has agreed to the transfer and the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred agree to the transfer.

Impact to TxDOT

HB 2636 could offer more flexibility in funding projects for which more than one TRZ is created. It is unclear whether this arrangement could enable a municipality to issue bonds and legally pledge a county's tax increment fund for repayment.

SENATE BILLS

Please see SB 971 in the Maritime section and SB 1747 in the Energy Sector section

SB 1110

Purposes and designation of a transportation reinvestment zone

Author: Senator Robert Nichols

Sponsor: Representative Joe Pickett

Effective Date: September 1, 2013

SB 1110 amends the Texas Transportation Code to clarify the procedures that a governing body of a municipality or the county commissioners court is authorized to take to establish a transportation reinvestment zone (TRZ).

A municipality may contract with a public or private entity to develop, redevelop or improve a transportation project in a TRZ and could pledge and assign all or a specified amount of money in the tax increment account to that entity. Counties are required to hold a public hearing on the creation of the TRZ.

SB 1110 removes the limitation that links TRZs to pass-through toll projects and substitutes a broad definition of "eligible projects."

A county or a municipality may also designate a TRZ for a transportation project located outside the local government's boundaries provided there is a joint administration agreement with another county or municipality in which the same project is located within the second local governmental entity's TRZ boundaries.

More than one project can now be developed and all types of financial obligations may be covered by the tax increment revenue. Sales and use taxes could be added to tax increment accounts to pay for both pass-through toll projects as well as all other types of transportation projects.

Impact to TxDOT

SB 1110 enhances local governmental entities' ability to capture funding for transportation projects. There may be opportunities for TxDOT to partner with such entities but does not provide any new funding for the state to participate in such projects.

UTILITIES

HOUSE BILLS

HB 2585

Reimbursement of utilities for relocation of utility facilities following improvement or construction of certain tolled highways

Author: Representative Linda Harper Brown

Sponsor: Senator Ken Paxton

Effective Date: September 1, 2013

The Texas Transportation Code specifies that the state would pay the cost for utility relocations only if the relocation is required by improvement of:

An interstate highway with federal funding;

A state highway and utility has a compensable property interest; or

A state highway that was designated as a turnpike or toll project before 2005.

Prior to 2005, TxDOT reimbursed all utility relocations on toll projects.

In 2005, the Texas Legislature added new sections to the Transportation Code that revised the state's participation to equally share the utility relocation costs in an effort to transition utility companies to a 100 percent payment.

HB 2585 extends the cost-sharing agreement between TxDOT and the utilities that must move their infrastructure in connection with a toll road construction, expansion or conversion. This arrangement is extended from September 1, 2013 to September 1, 2017.

Impact to TxDOT

TxDOT will continue to pay 50 percent of the cost to move a utility on a tolled facility.

83RD TEXAS LEGISLATURE - BILLS NOT PASSED

HOUSE BILLS

HB 63

Creation of an offense for use of a hand-held wireless communication device for text-based communication while operating a motor vehicle

Author: Representative Tom Craddick

Sponsor: Senator Judith Zaffirini

HB 63 would have amended the Texas Transportation Code to create a statewide offense (Class C Misdemeanor) for the use of a wireless communication device to read, write or send a text message, instant message, email or any other electronic message while driving a motor vehicle, unless the car was stopped.

The bill provided a defense for electronic messages used with hands-free devices; if relaying information to emergency personnel; if reporting illegal activity; or the operator of the vehicle was in an authorized emergency vehicle or working in an official capacity.

The bill was left pending in the Senate Transportation Committee.

HB 116

Sunset review of regional mobility authorities

Author: Representative Lyle Larson

HB 116 would have provided that regional mobility authorities (RMAs) are subject to review by the Sunset Advisory Commission as if the RMAs were a state agency. An RMA could not be abolished but would be required to pay the cost incurred by the Sunset Advisory Commission in performing the review. This bill was substantially similar to another bill (HB 2951) filed by Representative Larson during the 2011 legislative session.

HB 116 was not set for a hearing by the House Transportation Committee.

HB 1134

Performance and payment security for certain comprehensive development agreements

Author: Representative Drew Darby

HB 1134 would have amended the statutory provisions applicable to comprehensive development agreements (CDA) entered into by RMAs, regional transportation authorities and TxDOT to provide that the performance and payment bond provided by a

private entity entering into CDA must be issued by a corporate surety authorized to issue bonds in Texas.

The bill would have eliminated the ability of those tolling entities to use alternative forms of security for projects less than \$250 million. Although certain compromise language was eventually agreed upon, it came too late in the process to allow for the bill to pass.

HB 2870

Confidentiality of information related to toll projects

Author: Representative Giovanni Capriglione

HB 2870 would have repealed the provision which currently provides that before a comprehensive development agreement is entered into, financial forecasts and traffic and revenue reports prepared by or for a toll project entity for the project are confidential and are not subject to disclosure.

The bill received a hearing in the House Transportation Committee but was left pending without a vote.

HB 3343

Cessation of tolls by toll project entities in certain circumstances

Author: Representative Lois Kolkhorst

HB 3343 would have required that all toll projects become part of the state highway system and be maintained by TxDOT without tolls when the costs of acquisition and construction have been paid and all bonds and interest secured by the revenues of the project have been paid or a sufficient amount for payment of all bonds and interest has been set aside.

The bill would have also prohibited a toll project entity from amending a financing agreement to extend the date by which bonds would be paid off and removed references to use of "surplus revenues" of toll projects from the Texas Transportation Code.

The bill did receive a hearing in the House Transportation Committee but was left pending without a vote.

HB 3650

Authority of the Texas Department of Transportation to enter into availability payment agreements for the construction, maintenance or operation of a highway project

Author: Representative Linda Harper-Brown

HB 3650 would have authorized the use of availability payments which would permit TxDOT to enter into an agreement with a private entity for the design, development, financing, construction, maintenance or operation of a toll or non-tolled facility on the state highway system under which the private entity is compensated through milestone or periodic payments that are based on the private entity's compliance with performance requirements outlined within the agreement.

Although the bill was reported favorably from the House Transportation Committee, it was not set on the House Calendar until May 8, 2013. The bill was never considered.

HB 3664

Amount and use of certain money deposited in the State Highway Fund and Texas Mobility Fund; increasing certain motor vehicle registration fees

Author: Representative Drew Darby

HB 3664 would have increased motor vehicle registration fees to generate funding to pay down the state's transportation-related debt and fund future improvements on non-tolled Texas roads. A house floor amendment to the bill also allocated a future portion of the sales tax on motor vehicle sales to be applied to the highway program.

Although HB 3664 was up for a vote on May 9, Representative Darby postponed consideration of the bill on the House floor without a final vote on second reading.

HB 3665 and SB 1632

Financing of transportation projects; authorizing fees

Authors: Representative Drew Darby (HB 3665) and Senator Juan "Chuy" Hinojosa (SB 1632)

These companion bills would have amended various provisions of the Texas Transportation Code that relate to the State Infrastructure Bank (SIB). The bills would have specified the sources of funds that the Texas Transportation Commission may deposit to the fund, including money appropriated by the Texas Legislature for that purpose and proceeds from the sale of loans made from money in the SIB as authorized by the bill.

The bill would have also expanded the types of qualified projects eligible for SIB financial assistance to include a project of a port authority or navigation district, a freight rail project and an infrastructure project relating to an intracoastal waterway.

The Texas Transportation Commission would have

been authorized to require a public entity to pay an application fee and other reasonable amounts for a request for financial assistance provided from the SIB and would require this revenue to be deposited to the State Highway Fund to reimburse administrative costs charged to that fund or to the subaccount in the SIB from which the assistance is requested.

The Office of the Attorney General would also have been required to review and approve the commission's records authorizing the issuance, execution and delivery of SIB revenue bonds, credit agreements and any related contracts authorized under the Texas Transportation Code.

In committee, no action was taken on HB 3665. A heavily amended 1632 was voted out of the Senate Transportation Committee on a 5-3 vote, but was not considered on the Senate floor.

SENATE BILLS

SB 1018

Agreements, costs, revenues and finances of regional tollway authorities; authorizing taxes, fees and assessments

Author: Senator John Carona

SB 1018 would have amended numerous provisions of the Texas Transportation Code that control the operations of a regional tollway authority (RTA). Several of the changes were based on provisions in the RMA Act (Chapter 370 of the Texas Transportation Code).

Among the bill's proposed amendments were the authorization of the transfer of revenue from one or more turnpike projects to a general fund of the RTA to be used for any purpose authorized under Chapter 366 of the Texas Transportation Code; the payment of a property owner by means of a participation payment (a percentage of one or more identified fees related to a segment constructed by the RTA) for an interest in real property; and the authority for an RTA to enter into agreements with other governmental entities to pledge revenue for the issuance of bonds, whether inside or outside the jurisdiction of the RTA.

The legislation died in the House Transportation Committee.

SB 1333**Creation of the Cotton Belt Rail Improvement District; providing authority to impose an assessment and issue bonds**

Author: Senator John Carona

SB 1333 would have created the a municipal management district (Cotton Belt Rail Improvement District) that was intended to facilitate the development of the \$2 billion Cotton Belt Corridor commuter rail project in the Dallas and Fort Worth areas.

The bill received a hearing in the Senate Intergovernmental Relations Committee but was left pending.

SB 1253**Relationship between Texas Department of Transportation toll projects and adjoining non-tolled roads**

Author: Judith Zaffirini

SB 1253 would have prevented TxDOT from designing, constructing or operating a toll project that, without a clear engineering justification, would incentivize the use of the project by discouraging the use of free adjoining roads through modification of speed limits or traffic signals on the adjacent free roads.

The bill language would have made it difficult for TxDOT to make necessary changes to roadways for safety or congestion mitigation reasons without being subject to alleged violations of law.

SB 1253 passed out of the Senate on the local calendar and received a hearing in the House Transportation Committee but was subsequently left pending without a vote.

SB 1650**Internet broadcasts of open meetings held by governmental bodies, including regional tollway authorities, regional mobility authorities and metropolitan planning organizations**

Author: Senator Donna Campbell

SB 1650 would have required a regional mobility authority (RMA), regional tollway authority and a metropolitan planning organization (MPO) to broadcast any open meetings over the Internet. An appropriation for the cost of implementing this technology was not provided, meaning these entities would be responsible for locating the funding to comply with the bill.

The bill was amended on the Senate floor by Senator Kevin Eltife to exclude those RMAs comprised of three or more counties. Although the legislation was passed by the Senate and voted favorably from the House Government Efficiency and Reform Committee, the bill was never set on the House Calendar.

SB 1794**Transportation revolving fund for certain metropolitan planning organizations**

Author: Senator Kirk Watson

SB 1794 would have authorized the Capital Area Metropolitan Planning Organization (CAMPO) to establish a revolving fund that would loan or grant money to cities, counties, the State of Texas, regional mobility authorities, rail districts or metropolitan transit authorities within the planning jurisdiction of CAMPO to pay the expenses of planning, developing, acquiring right of way, constructing, implementing and maintaining transportation projects approved by the metropolitan planning organization.

The impetus for this legislation was the agreement between CAMPO and the Central Texas Regional Mobility Authority (CTRMA) and the establishment of a Regional Infrastructure Fund to be maintained by the CTRMA with revenues from the MoPac Improvement Project.

The bill received a hearing in the Senate Transportation Committee but was left pending without a vote.

HIGHWAY RENAMING BILLS

Bill Number	Segment of Highway Affected	New Designation	Effective Date
HB 250	A portion of IH-35 between River Ridge Parkway and FM 150	Trooper Randy Vetter Memorial Highway	Sept. 1, 2013
HB 442	A portion of US 83 from the eastern boundary of Starr County to FM 2360 or the most appropriate point west of FM 2360 as determined by TxDOT	Trooper Eduardo Chavez Memorial Highway	June 14, 2013
HB 938	A portion of FM 2348 in Titus County between US 67 and SH 49	Army Staff Sergeant Chauncy Mays Memorial Highway	Sept. 1, 2013
HB 1238	A portion of US 287 in Sherman and Dallas Counties	Trooper Bobby Steve Booth Memorial Highway	Sept. 1, 2013
HB 1458	A portion of US 175 in Kaufman County	Veterans Memorial Highway	June 14, 2013
HB 1534	A portion of US 75 in Collin County between George Bush Highway and US 380	Sam Johnson Highway and Marc Cisneros Highways	Sept. 1, 2013
HB 2356	A portion of Recreational Road 255 between SH 63 and US 96 in Jasper County	Sam Rayburn Parkway	Sept. 1, 2013
HB 2424	A portion of US 83 Business in Hidalgo and Cameron Counties	Purple Heart Trail	Sept. 1, 2013
HB 3070	State Highway 80 in Gregg and Upshur Counties	Texas Historic Highway 80	Sept. 1, 2013
HB 3520	A portion of US 75 in Dallas County between Knox Street/North Henderson Avenue and Northwest Highway	George W. Bush Expressway	Sept. 1, 2013
HB 3568	Loop 150 Bridge in the city of Bastrop	Chief Petty Officer (SOC) Stephen Matt Mills Bridge	Sept. 1, 2013
HB 3831	SH 358 from IH-37 to SH 286 in Nueces County	Peace Officers Memorial Highway	Sept. 1, 2013
HB 3946	Interchange in El Paso between I-10 and Joe Battle Boulevard	Officer Angel David Garcia Memorial Interchange	Sept. 1, 2013
SB 139	A portion of US 80 from US 271 in Gregg County to the eastern municipal boundary of Big Sandy in Upshur County	Sergeant Travis E. Watkins Memorial Highway	Sept. 1, 2013

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