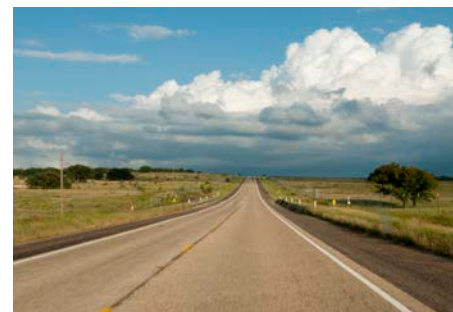


84th Legislature 2015

Mapping for the Future

Summary of Enacted Legislation



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Contents

Introduction	5
Featured Legislation	6
HB 1: General Appropriations Act	6
SJR 5/Proposition 7: Constitutional Amendment for Transportation Funding	6
HB 122: Texas Mobility Fund	12
HB 20: TxDOT Planning Processes	13
SB 20: State Contracting	16
HB 3225: Lane Restrictions for Trucks in Work Zones	18
SB 2004: Deferred Maintenance Funding for State Facilities	19
SB 1467: Third-Party Vendors for Toll Payments.....	20
HB 2612: Report on Eliminating Toll Roads.....	21
Other Bills Enacted	22
Funding and Budget	22
State Contracting	24
Planning, Maintenance and Engineering	25
Traffic Safety	26
Toll Roads	29
Eminent Domain and Right of Way	30
Oversize/Overweight Vehicles and Corridors.....	33
Local Transportation Issues	37
Aviation.....	42
Human Resources.....	43
Information Technology.....	49
Facilities and State Property.....	51
Highway Designations.....	54
Index of Bills by Number	56

TxDOT Mission

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

TxDOT Goals

- Maintain a safe system
- Address congestion
- Connect Texas communities
- Become best-in-class state agency

TxDOT Values

- Trust
- Integrity
- Responsibility
- Excellence
- Service



Texas Transportation Commission

Commissioners



Tryon Lewis
Chair



Jeff Austin III
Commissioner



Bruce Bugg
Commissioner



Jeff Moseley
Commissioner



Victor Vandergriff
Commissioner

Texas Department of Transportation

Administration



LtGen Joe Weber, USMC (Ret)
Executive Director



John Barton
Deputy Executive Director

Darran Anderson
Chief Strategy and Innovation Officer

James Bass
Chief Financial Officer

Jeff Graham
General Counsel

Bill Hale
Chief Engineer

Bob Kaufman
Chief Communications and Marketing Officer

Rich McMonagle
Chief of Staff

Russell Zapalac
Chief Planning and Project Officer

Message from TxDOT's Executive Director

TxDOT is pleased to provide you with its 2015 legislative summary. This report not only provides an overview of important transportation legislation that passed during the 84th Texas Legislature, but also an overview of legislation that affects TxDOT's daily operations as a state agency.

This session, I was impressed with the tremendous effort and teamwork by our State Legislative Affairs team and all of our divisions and offices. My most sincere thanks and appreciation go to all members of the Texas Legislature and their staff, Governor Abbott and his staff, the Texas Transportation Commission, transportation stakeholders, and the people of Texas for their work and cooperation in the legislative process. Transportation infrastructure is essential to the state's ongoing prosperity and economy, and every Texan depends on a safe and reliable transportation system for the great state of Texas to continue to enjoy a high quality of life.

This session, TxDOT was able to successfully work with legislators as they addressed several transportation-related and general government operations issues. A major highlight of the session was the Legislature's effort to provide more reliable transportation funding for Texas. With the passage of SJR 5, the Legislature succeeded in giving Texas voters a chance to vote on Proposition 7, which would be the largest annually recurring infusion of transportation funding in the state's history.

Other highlights of the session include legislation to protect TxDOT employees and drivers in highway construction zones, to require TxDOT to develop performance-based planning, to review the current project selection and programming process, to improve contracting processes used for the procurement of goods and services and establish new checks and balances for that process, to guide the use of the Texas Mobility Fund, and to improve TxTag customer service.

This report does not include all legislation that passed during the session. Rather, it is intended to be a useful overview of important transportation bills and other legislation that affects TxDOT's daily operations.

Ongoing communication is an important part of TxDOT's effort to serve the state and its transportation needs. Please contact TxDOT's State Legislative Affairs staff in our Government Affairs Office if you would like more information on any content in this publication or for any other transportation issues.

Thank you for all you do to help provide a safe and reliable transportation system for all Texans. I look forward to TxDOT's successful implementation and execution of the legislation summarized in this publication.

Respectfully,

A handwritten signature in black ink, appearing to read "J. F. Weber". The signature is fluid and cursive, with a long horizontal stroke at the end.

LtGen J. F. Weber USMC (Ret)
Executive Director, TxDOT

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Introduction

This report was produced by TxDOT as a guide to legislation enacted during the 84th Legislature, Regular Session, 2015 that directly impacts or affects TxDOT. The document includes summaries and analyses of enacted legislation that relate to general transportation law and policy across the state, specific transportation law and policy of the department, and legislation that affects TxDOT's daily operations and procedures as a state agency.

The 84th Legislature filed 6,476 bills and joint resolutions. Of these, TxDOT staff monitored more than 815 bills that would have either directly affected the agency or would have impacted transportation policy across the state. Throughout session, members of TxDOT's administration and staff served as expert witnesses and provided background information on many of these bills, working with lawmakers to inform them about the transportation challenges of the state and the effects of their proposed legislation.

Coming off the successful November 2014 passage of Proposition 1, a ballot measure that allowed a portion of oil and gas revenues to be deposited into the State Highway Fund to assist with transportation projects, transportation funding remained a top priority during the session. Governor Abbott made this priority clear when he included transportation funding as one of his five emergency items during his State of the State address in February. Emergency items serve as the governor's "wish list" and are issues that can be expedited during the legislative process. Other issues the Legislature deemed of high importance and which saw legislation passed included state contracting reforms, transportation planning, debt management, and traffic safety.

In addition to session-related activities, in February, Governor Greg Abbott appointed former state representative Tryon Lewis of Odessa and J. Bruce Bugg Jr. of San Antonio to the Texas Transportation Commission (commission), which is the five-member body that oversees statewide activities of TxDOT. Commissioner Bugg replaced Chairman Ted Houghton, and Tryon Lewis replaced Commissioner Fred Underwood and was named the chair of the commission shortly after his appointment.

Featured Legislation

TxDOT Budget and 2015 Constitutional Amendment (Proposition 7)

Traditionally, Texas's transportation system has been funded with motor fuels taxes and registration fees, but those revenues have not kept pace with the demands for transportation funding. States across the nation, including Texas, are facing serious challenges with respect to transportation funding including: (1) decreased purchasing power of highway funds; (2) increasing fuel efficiency; and (3) uncertainty in regard to the availability of federal funding. Over the last dozen years, various

The Texas Legislature has taken a historic step by acknowledging that consistent and reliable transportation funding will be essential to successfully mapping the future of the state.

Texas legislatures have responded to these challenges by providing TxDOT with new funding mechanisms, which have allowed TxDOT to respond quickly to growing transportation challenges. Also, the Texas Transportation Commission (commission) and TxDOT have anticipated the current funding challenges and in response, TxDOT has made, and

continues to make, every effort to reduce operating costs before reducing any transportation programs. However, these temporary funding mechanisms and cost savings have not proven to be the reliable and consistent solution to Texas' transportation funding needs.

With the passage of HB 1, which includes the first full biennium of Proposition 1 funding (approximately \$2.4 billion in oil and gas severance taxes), a funding increase of \$1.3 billion by ending "diversions," (appropriations from the state highway fund to agencies other than TxDOT), and the passage of SJR 5, which gives Texans a chance to vote on Proposition 7, which, if adopted, will be the largest annually recurring infusion of transportation funding in the state's history, the Legislature has taken historic steps and acknowledged that consistent and reliable transportation funding will be essential to successfully mapping the future of Texas.

House Bill (HB) 1

General Appropriations Act

Author: Representative John Otto

Sponsor: Senator Jane Nelson

Bill Summary

HB 1, the General Appropriations Act (GAA), appropriates a grand total of \$209.4 billion from all fund sources for the FY 2016-2017 biennium. The biennial budget represents a 3.6 percent increase over the \$202.1 billion appropriated in the FY 2014-2015 biennium. General Revenue and General Revenue-Dedicated fund appropriations increased by \$11.6 billion over the current biennium, an 11.3 percent increase.

Impact on TxDOT and Fiscal Implications

The table on the opposite page compares the original budget appropriations and methods of finance of the FY 2014-2015 biennium with the FY 2016-2017 biennium, except when specified below. Funding for the FY 2016-2017 biennium totals \$23.1 billion in All Funds, which is an increase of \$104 million over the current 2014-2015 biennium. The amount of the increase requires further explanation.

Several factors affect the budget increase when comparing biennia. One factor affecting the budget increase is that Proposition 1 funding is represented as \$1.74 billion in FY 2014-2015. The GAA for FY 2014-2015, as published, included an early estimate of \$878.6 million in Proposition 1 funding. In other words, if this estimate of \$878.6 million, instead of the \$1.74 billion that was actually deposited for Round 1 of Proposition 1, were included, the budget increase would be greater.

Another feature affecting the increase was an unused appropriation of \$400 million in State Highway Fund (SHF) revenue for FY 2014 that was anticipated to pay debt service on short-term debt issuance. The Legislature planned to delay payment of the motor fuel tax by two months to cover budget shortfalls anticipated at the end of FY 2013. The delay would have created a need for TxDOT to borrow funds when SHF levels became depleted. The \$400 million was intended to pay the debt service in FY 2014, when the delayed funds were to be deposited. The delay never happened in FY 2013; therefore, there was

no need to borrow the funds, no increase in FY 2014, and no need to pay off debt service for short-term borrowing. This part of the budget becomes important later when reviewing methods of finance and the \$1.3 billion reduction in appropriations of SHF to other state agencies.

One more factor affecting the budget comparison of the two biennia is the uncertainty of federal funds. Congress recently extended Moving Ahead for Progress in the 21st Century Act (MAP-21) funding authority through July 31, 2015. The federal Highway Trust Fund (HTF) is expected to remain solvent until at least August 2015, but a future extension through the end of the calendar year would most likely require either another \$10 billion in new federal revenue or funding cuts. The side-effects of Congress' MAP-21 extensions and the transfer of additional revenue to the HTF are uncertainty in current fiscal year funding and even more unpredictability in regard to federal funding for the upcoming biennium. Given this unpredictability, TxDOT included an exceptional item of \$606 million in federal funding reimbursements in its FY 2016-2017 Legislative Appropriations Request. Any actions that Congress takes in the next two years to more fully fund

the HTF will result in an increase in TxDOT's FY 2016-2017 biennial budget.

Budget

HB 1 provides an estimated total of \$19.8 billion for transportation planning and design, right of way acquisition, construction and maintenance and preservation of the highway system. The project development budget for FY 2016-2017 is \$2.6 billion. This total includes \$1.7 billion for transportation planning and design. Approximately \$0.9 billion is appropriated for right-of-way acquisition.

The FY 2016-2017 budget appropriates \$8.9 billion for the maintenance and preservation of the existing highway system. Construction projects and highway improvements will have an estimated budget of \$5.1 billion. Further funding for the planning, construction and maintenance of roads is provided in the Proposition 1 "line item" of the budget. Proposition 1 funds are represented separately as a "Goal" in the upcoming budget. This format allowed the Legislature to direct funds according to project type rather than the traditional distribution of funds by means

TxDOT Budget FY 2014-2015 vs. FY 2016-2017 (Method of Finance)

	General Appropriations Act FY 2014-2015	General Appropriations Act FY 2016-2017	Difference
General Revenue Fund	\$378,246,127	\$503,248,991	
Insurance Maintenance Tax Fees	\$1,500,000	\$1,500,000	
Federal Funds	\$8,550,041,483	\$8,367,826,056	
State Highway Fund	\$7,523,236,100	\$8,207,940,038	
State Highway Fund - Prop 1	\$1,740,079,662	\$2,413,667,000	
State Highway Fund - Surplus/CDA Fees	\$632,531,236	\$738,787,870	
Bond Proceeds	\$3,423,899,251	\$2,021,647,521	
Texas Mobility Fund – Debt Service	\$689,342,101	\$788,644,181	
Interagency Contracts	\$9,000,000	\$9,000,000	
TxDOT Grand Total	\$22,947,875,960	\$23,052,261,657	+\$104,385,697

Note: Refer to preceding page for explanation of above table

of planning, construction, right-of-way acquisition, and maintenance. TxDOT will receive \$2.4 billion in Proposition 1 funds to be distributed according to the following parameters in Rider 44:

- 45 percent for mobility and added capacity projects in urban areas (\$1.1 billion);
- 25 percent for projects that improve regional connectivity along strategic corridors in rural areas of the state (\$603.4 million);
- 20 percent for statewide maintenance and preservation projects (\$482.7 million); and
- 10 percent for roadway safety and maintenance projects related to areas of the state affected by increased oil and gas production activity (\$241.4 million).

A total of \$2.2 billion will be used for debt service payments and other financing costs for TxDOT's borrowing programs. This amount includes \$852 million for SHF borrowing, \$835 million for Texas Mobility Fund (TMF) bonds and \$526 million in General Revenue funds for Proposition 12 bonds.

Method of Finance

Funding for the FY 2016-2017 biennium is \$23.1 billion, which is a net increase of \$104.4 million over original appropriations in the FY 2014-2015 GAA with the total \$1.74 billion Proposition 1 allocation in FY 2015.

In the FY 2016-2017 biennium, the Legislature increased TxDOT's share of SHF appropriations by approximately \$1.3 billion. The Legislature achieved this increase by substituting General Revenue funding in other agencies' budgets that were once partially funded by the SHF. The method of finance "swap" for other agencies increased TxDOT's share of the SHF. Agencies receiving funds from the SHF in FY 2014-2015 include the Department of Public Safety, the Department of Motor Vehicles, the Office of the Attorney General, the Texas A&M Transportation Institute and several others.

Proposition 1 funding provides \$1.2 billion in each year of the FY 2016-2017 biennium, for a total of \$2.4 billion over the biennium. The reduction in SHF appropriations to other state agencies combined with FY 2016-2017 Proposition 1 funding mitigates a decrease of approximately \$1.7 billion in bond proceeds. Federal funds appropriations in FY 2016-2017 also decreased, but as mentioned earlier, federal reimbursements may increase over the original estimate in the next two fiscal years, depending on Congressional action.

Riders

The Legislature adopted 12 new riders, amended 11, and eliminated seven in TxDOT's bill pattern in the FY 2016-2017 GAA. The following riders were either added or amended in the Regular Session of the 84th Legislature.

- Riders 2 and 45 modify and direct capital

TxDOT Budget for FY 2016-2017



TxDOT Method of Finance for FY 2016-2017



Additional sources: Interagency contracts and insurance maintenance tax fees each account for less than 0.05¢.

appropriations. The majority of the budget appropriated for capital purchases is in Rider 2. Capital budget authority is also shared with Rider 45, Appropriation and Capital Budget Authority: Receipts from Sale of Real Property. Rider 45 appropriates additional funding from the proceeds of the sale of TxDOT’s real property. It includes partial funding for the acquisition of land and other real property; the construction of buildings and facilities; and information technology, such as replacements and upgrades, Mainframe Modernization, and Modernize Portfolio and Project Management (MPPM). MPPM is a prioritized computer system that will replace TxDOT’s outdated project planning software.

- The Legislature added subsection (b) to Rider 11, which directs the commission to provide additional district discretionary funding to improve traffic within 50 miles of the Texas-Mexico border. The commission, under this rider, will consider factors related to the movement of goods and people through border entry points.
- Rider 40 provides unexpended balance authority from the FY 2014-2015 biennium for emergency and first responder airport facilities where emergency aircraft is located.
- Rider 41, Interagency Contract for Legal Services, directs TxDOT to use appropriated funds for an interagency contract with the Office of the Attorney General for legal services provided.
- Rider 47 limits the funds available for expenditures related to TxDOT’s Design-Build contracts. The

rider indirectly references HB 20 (84th Legislature, Regular Session), which amends Section 223.242, Transportation Code. The combined effect of Rider 47 and HB 20 is that TxDOT may enter into no more than three Design-Build contracts annually and each project’s construction cost estimate must be at least \$250 million.

- Rider 48 directs a maximum of \$20 million of TMF funds for port capital improvements selected by the Port Authority Advisory Committee and approved by the Texas Transportation Commission (commission).
- Rider 49, Toll Discount Programs, appropriates funding for two toll discount programs from the receipts from the sale of real property as well as the receipts of surplus property such as TxDOT equipment. The veteran toll discount program provides discounts to qualified veterans who use toll projects that TxDOT operates. The rationale behind the truck toll discount is to provide a financial incentive to divert large trucks from Interstate 35 to State Highway 130 (Segments 1-4) and State Highway 45 Southeast in Austin. Biennial allocations to the two programs are as follows:
 - \$4 million for the veteran toll discount program
 - \$18.7 million for the truck toll discount program
- Rider 50, Allocation for Emergency and First Responder Airport Facilities, appropriates \$3 million from the SHF to assist in hangar expansion at the South Texas International Airport at Edinburg for DPS emergency and first responders.

Reporting Requirements

New riders and rider amendments in the FY 2016-2017 GAA require TxDOT to notify certain members of the Legislature of various policies and actions. TxDOT is responsible for multiple reporting requirements in HB 1. New reporting requirements in TxDOT's FY 2016-2017 bill pattern include the following:

- New rider subsection 14(d)(4), Reporting Requirements: requires TxDOT to notify all legislators whose districts are affected of receipt of written notification of a proposed passenger rail or toll road project, regardless of the funding source, no later than 10 days after receipt of the notification.
- Rider 42, Performance Reporting for the Voluntary Turnback Program, is based on Legislative Budget Board (LBB) recommendations in its latest Government Effectiveness and Efficiency Report. The rider requires TxDOT to update LBB and the Office of the Governor on turnback program participation no later than December 1, 2016.
- Rider 45 (c), Appropriation and Capital Budget Authority: Receipts from Sale of Real Property, directs TxDOT to submit to the LBB quarterly reports that summarize receipts from the sale of real property and identify current and future allocations of the funding.
- Rider 46, Report on the Elimination of Toll Roads, is substantively identical to HB 2612, which passed in the 84th Legislative session, and requires TxDOT to submit to House and Senate Transportation Committee members a plan to eliminate toll roads under the jurisdiction of TxDOT.
- Article IX, Section 7.13 of the GAA requires TxDOT to notify the LBB of environmental mitigation measures to comply with Title 23, Subchapter H, Part 777 of the Code of Federal Regulations or the Texas Transportation Code, Section 201.617, prior to entering into agreements. TxDOT shall report the nature and term of the agreement, the agreement award process, and the payment for goods and services outlined in the agreement.

Effective Date: September 1, 2015

Senate Joint Resolution 5 / Proposition 7

Constitutional amendment for transportation funding

Author: Senator Robert Nichols

Sponsor: Representative Joe Pickett

Background

Senate Joint Resolution 5 (SJR 5) proposes a constitutional amendment to dedicate a portion of the revenue from the state sales and use tax and the tax on the sale, use or rental of a motor vehicle to the State Highway Fund. On June 17, 2015 Texas Secretary of State Carlos Cascos drew for the ballot order of the proposed amendments to the Texas Constitution to appear on the November 3, 2015 ballot. SJR 5 will appear on the ballot as Proposition 7, "The constitutional amendment dedicating certain sales and use tax revenue and motor vehicle sales, use, and rental tax revenue to the state highway fund to provide funding for nontolled roads and the reduction of certain transportation-related debt."

If Proposition 7 is approved by Texas voters, it will be the largest annually recurring infusion of transportation funding in the state's history. The amounts may be appropriated only to acquire rights of way for, construct, or maintain public roadways other than toll roads or to repay the principal and interest on general obligation bonds issued for certain highway improvement projects.

Bill Summary

If approved by voters on November 3, 2015, Proposition 7 would add Section 7-c to Article VIII of the Texas Constitution. This section would direct the Comptroller of Public Accounts (Comptroller) to deposit to the credit of the State Highway Fund (SHF) in each state fiscal year a portion of the net revenue from the state sales and use tax beginning in FY 2018 as well as a percentage of the net revenue from the motor vehicle sales tax beginning in FY 2020.

Proposition 7 would provide additional revenues that could be used to fund highway improvement projects other than toll roads. Proposition 7 would require the Comptroller to deposit in the SHF in each state fiscal year \$2.5 billion of the net revenue from the state sales and use tax that exceeds the first \$28 billion of that revenue coming into the state treasury in that fiscal year, beginning in FY 2018. This provision would take effect on September 1, 2017 (FY 2018) and would expire August 31, 2032 unless a future legislature votes to extend it.

Proposition 7 would also require the Comptroller to deposit in the SHF in each state fiscal year 35 percent of the net revenue derived from the sale, use or rental of motor vehicles that exceeds the first \$5 billion of that

revenue coming into the state treasury in that fiscal year. This provision would take effect on September 1, 2019 (FY 2020) and would expire August 31, 2029 unless a future legislature votes to extend it.

The Legislature, by a record vote of a majority of the members of each chamber, may extend either of the expiration dates of these two provisions for 10-year increments.

The Legislature, by a record vote of two-thirds of the members of each chamber, may reduce the revenue deposited to the SHF under either provision (with the reduction made in the state fiscal year in which the Legislature’s resolution is adopted or in either of the following two state fiscal years) provided the reduction is not more than 50 percent of the amount that would otherwise be deposited to the SHF in the affected state fiscal year.

Fiscal Implications

If passed by voters on November 3, 2015, SJR 5 would result in the following estimated revenue increases in the State Highway Fund:

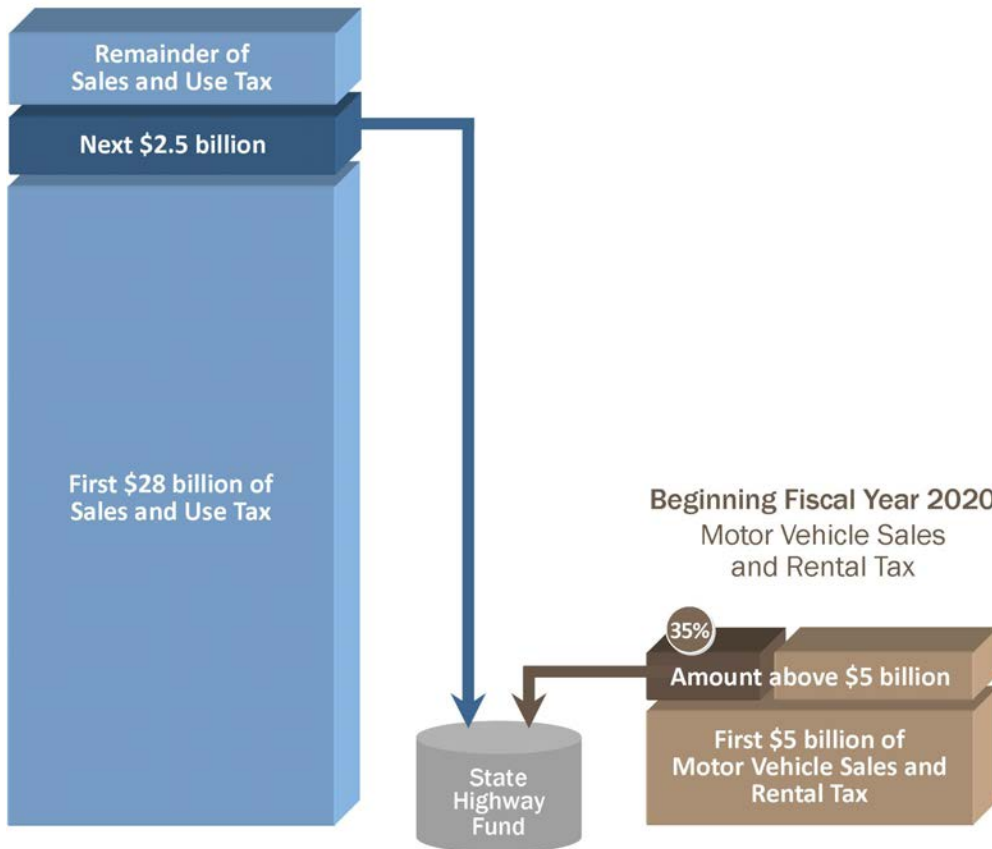
- FY 2018 - \$2.5 billion
- FY 2019 - \$2.5 billion
- FY 2020 - \$2.92 billion
- FY 2021 - \$3.04 billion

Money deposited to the credit of the SHF by Article VIII, Section 7-c of the Texas Constitution could only be used for 1) the construction, maintenance, and acquisition of right of way for public roadways other than toll roads; or 2) the repayment of principal and interest on general obligation bonds (Proposition 12 bonds).

Effective Date: Proposition 7 will be submitted to voters at an election on November 3, 2015.

SJR 5 (Proposition 7) Funding Flow

Beginning Fiscal Year 2018
Sales and Use Tax



The Texas Mobility Fund

House Bill (HB) 122

Author: Representative Joe Pickett

Sponsor: Senator Robert Nichols

Background

The Texas Mobility Fund (TMF) was authorized by voters in 2001, and the Legislature identified revenues to be dedicated to the fund in 2003 to advance transportation projects. The program issuance limitation is based on a certified revenue estimate provided by the Texas Comptroller of Public Accounts (Comptroller). Debt service payments are secured by revenues of the fund and are also backed by the full faith and credit of the state.

The bill prohibits the issuance of new money TMF obligations starting January 1, 2015.

The Legislature established the TMF to provide a method to finance the construction, reconstruction, acquisition and expansion of state highways, including the costs of any necessary design

and costs of acquisition and rights of way. The TMF is also authorized to be used to provide participation by TxDOT in the payment of all or a portion of the costs of constructing and providing publicly owned toll roads and other public transportation projects.

TMF bonds are not subject to the constitutional debt limit unless there is a draw from general revenue to make a debt service payment, and then only the amount of the draw from general revenue would count. To minimize the likelihood of such a draw, there is a statutory requirement that the projected revenues of the TMF in any year be at least 110 percent of the program's debt service.

Specifically, statute requires the Comptroller to certify that annual revenue is projected to be at least 110 percent of annual debt service throughout the 30 years the bonds are outstanding. The TMF is a perpetual fund, which means that more debt can be issued as long as the projected annual revenue meets the 110 percent threshold, and the bonds are approved by the Bond Review Board.

Should the revenue and money dedicated to and on deposit in the TMF be insufficient to make payments due on TMF bonds and other obligations, an amount that is sufficient to make payments due on such bonds and other obligations is appropriated from the State Treasury. The maximum bond maturity is 30 years.

To date, the Bond Review Board has authorized the issuance of \$7.39 billion in TMF bonds.

Bill Summary

HB 122 prohibits TxDOT from issuing new money debt secured by the TMF.

The bill prohibits the issuance of new money TMF obligations starting January 1, 2015, which is prior to the bill's effective date of June 10, 2015. However, the bill does allow the Texas Transportation Commission (commission) to issue TMF obligations to refund outstanding obligations to save money for the state, to refund variable rate obligations and to renew or replace credit agreements relating to the variable rate obligations.

The commission would continue to be able to use revenues deposited in the TMF that are in excess of what is required to meet the requirements of TMF bonds for projects and any other purpose for which obligations may be issued, with a limit provided by the bill that they not be used for toll roads.

Effective Date: June 10, 2015

Modifications to TxDOT Planning Processes and Establishment of Legislative Select Committees

House Bill (HB) 20

Author: Representative Ron Simmons

Sponsor: Senator Robert Nichols

Background

Understanding how the state's roads, bridges and other transportation infrastructure are selected for funding helps citizens actively participate in the process, make suggestions and propose projects that address their transportation challenges. The Texas Transportation Commission (commission) and TxDOT use the Unified

The bill revises the processes that planning organizations, TxDOT and the Texas Transportation commission currently use to prioritize and finance projects.

Transportation Program (UTP) as a 10-year plan to guide transportation project development. The UTP is developed annually in accordance with the Texas Administrative Code and is approved by the commission. The UTP is the mechanism that serves to distribute projected funding levels and authorizes

projects for construction, development and planning activities. TxDOT, in coordination with the Metropolitan Planning Organizations (MPO) in urban areas and TxDOT district offices around the state, works to identify, assess, prioritize and plan for future project needs. The graphic on the opposite page depicts TxDOT's general project development process from need identification to construction.

Bill Summary

HB 20 relates to the operations of transportation planning and expenditures by TxDOT and planning organizations. A major aspect of the bill focuses on revising the planning and programming processes that planning organizations, TxDOT and the commission currently use to prioritize and finance transportation infrastructure projects, and the requirement that TxDOT adopt a performance-based planning and programming process with performance metrics, measures and scoring for project selection, while requiring local transportation organizations to develop a 10-year plan for the use of funding allocated to the region. HB 20 also establishes House and Senate committees

on transportation planning to review, study and evaluate certain aspects of transportation funding, project selection and prioritization, performance measures and metrics, and policymaking.

Furthermore, HB 20 makes other changes to transportation policy and TxDOT operations, such as creating certain stipulations on design-build contracts by TxDOT and removing policing state highways as an allowable use of money in the State Highway Fund (SHF), helping to end so-called "diversions" by statute.

Performance Metrics and Performance Measures

HB 20 requires the commission by rule to develop and implement performance metrics and performance measures as part of the review of strategic planning in the statewide transportation plan, rural transportation plans and the UTP; the evaluation of decision-making on projects selected for funding in the UTP and Statewide Transportation Improvement Program (STIP); and the evaluation of project delivery for projects in TxDOT's letting schedule.

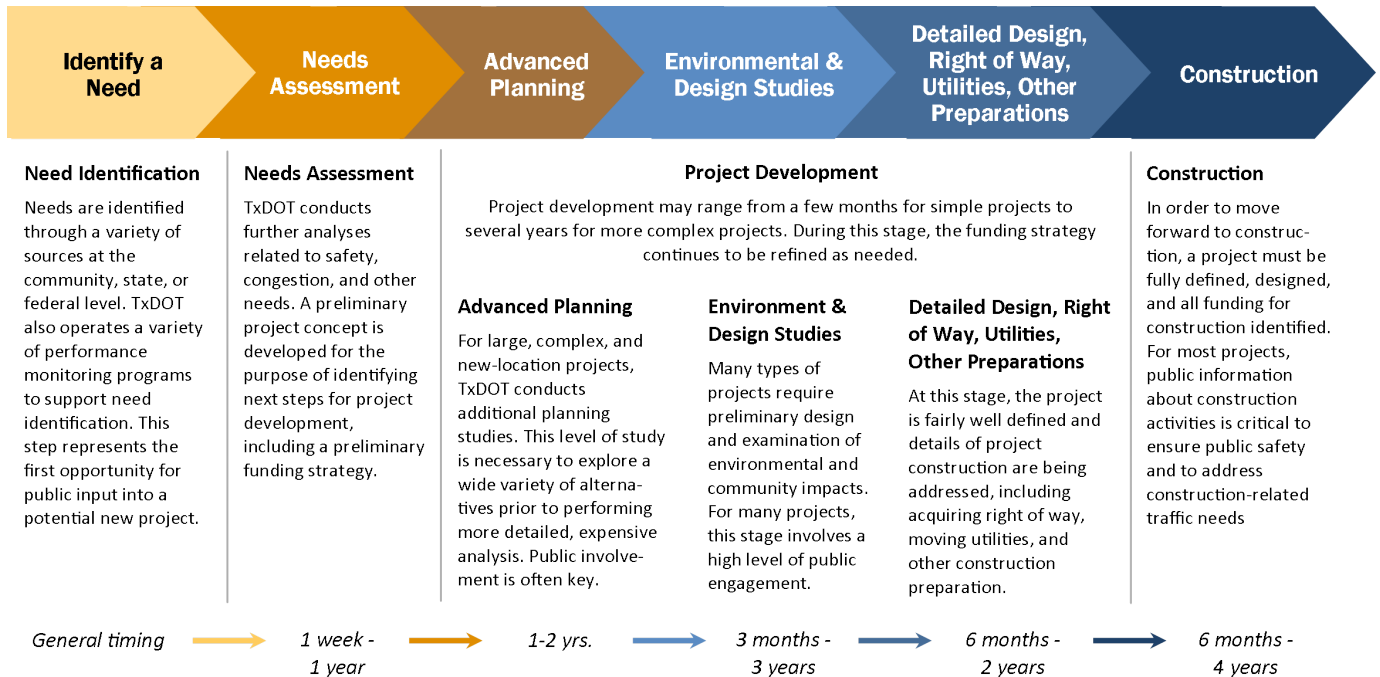
The bill also requires the commission by rule to adopt and periodically review performance metrics and measures to assess how well the transportation system performs and operates; provide TxDOT, the Legislature, stakeholders and the public with information to support decisions in a manner that is accessible and understandable to the public; assess the effectiveness and efficiency of transportation projects and service; demonstrate transparency and accountability; and address other issues the commission considers necessary.

MPO Project Selection

HB 20 requires each planning organization to develop a 10-year transportation plan for the use of funding allocated to the region. The first four years of the plan are required to be developed in accordance with the STIP/Transportation Improvement Program (TIP). MPOs and districts will coordinate on the development of a plan within MPO areas. In areas outside of the MPO, districts will develop a 10-year plan with input from municipal and county officials.

Each planning organization is required to develop its own project recommendation criteria, which are required to include consideration of projected improvements to congestion and safety; projected effects on economic development opportunities for residents of the region; available funding; effects on the environment, including air quality; socioeconomic

Project Evaluation Criteria



effects, including disproportionately high and adverse health or environmental effects on minority or low-income neighborhoods; and any other factors deemed appropriate by the planning organization.

Other Funding, Planning, and Performance Provisions

The bill requires the commission by rule to prioritize and approve projects included in the STP to provide financial assistance. HB 20 also requires the commission, by rule, to establish a performance-based process for setting funding levels for the categories of projects in the UTP.

The bill requires the commission by rule to establish a scoring system for prioritizing projects for which financial assistance is sought by planning organizations. The bill requires the criteria used to score projects to take into consideration TxDOT's strategic goals as approved by the commission. The bill requires that the system account for the diverse needs of the state so as to fairly allocate funding to all regions of the state.

The bill authorizes the commission to make discretionary funding decisions for no more than 10 percent of TxDOT's biennial budget.

Oversight Committee/Reporting Requirements

HB 20 establishes a House Select Committee on Transportation Planning and a Senate Select Committee on Transportation Planning and sets forth the membership of the committees.

The bill authorizes the committees to meet separately or

jointly. It requires the chairs to act as joint chairs in joint meetings.

The bill requires the committees to review, study and evaluate:

1. TxDOT projections regarding revenue needed by TxDOT to maintain current maintenance, congestion and connectivity conditions;
2. The development of funding categories, the allocation of funding to such categories by formula, project selection authority for each funding category and the development of project selection criteria for TxDOT projects;
3. TxDOT rules and policies regarding the development and implementation of performance-based scoring and decision making for project prioritization and selection of projects;
4. The use of alternative methods of financing that have been authorized by the Legislature for projects;
5. Performance metrics and measurement tools used by TxDOT to evaluate the performance of a TxDOT project or program;
6. TxDOT collaboration with state elected officials, local governments, government trade associations, metropolitan planning organizations, regional mobility authorities and other entities when adopting rules or formulating policies;
7. Any proposed rule, policy, program or plan of the commission of statewide significance;
8. Any possible benefits of utilizing zero-based

budgeting principles; and

- 9. Any other matter the committee considers appropriate.

The bill requires the committees to prepare a report on the reviewed subjects and to provide the report to the Legislature by November 1, 2016. The bill also requires TxDOT, not later than September 1, 2015, to submit an initial report that provides information necessary for the select committees to review, study and evaluate factors 1 through 3 from the above list, to the select committees. The bill requires TxDOT to submit to the select committees a preliminary report on the remaining factors from the above list by March 31, 2016.

Design-Build

The bill authorizes TxDOT to enter into a design-build contract for a highway project with a construction cost estimate of at least \$150 million, rather than the previous \$50 million minimum. The bill prohibits TxDOT from entering into more than three contracts under this section in each fiscal year. It should be noted that for the FY 2016-2017 biennium, Rider 47 of HB 1 (the state's biennial budget) further restricts design-build contracts to those whose project's construction cost estimates are at least \$250 million.

In addition, HB 20 prohibits TxDOT from using the design-build method for the construction, expansion, extension,

rehabilitation, alteration or repair of a highway project if the project is substantially designed, to an extent related to requests for proposals to certain short listed proposers, by TxDOT or another entity other than the design-build contractor.

It also prohibits TxDOT from including more than one highway project in a design-build contract.

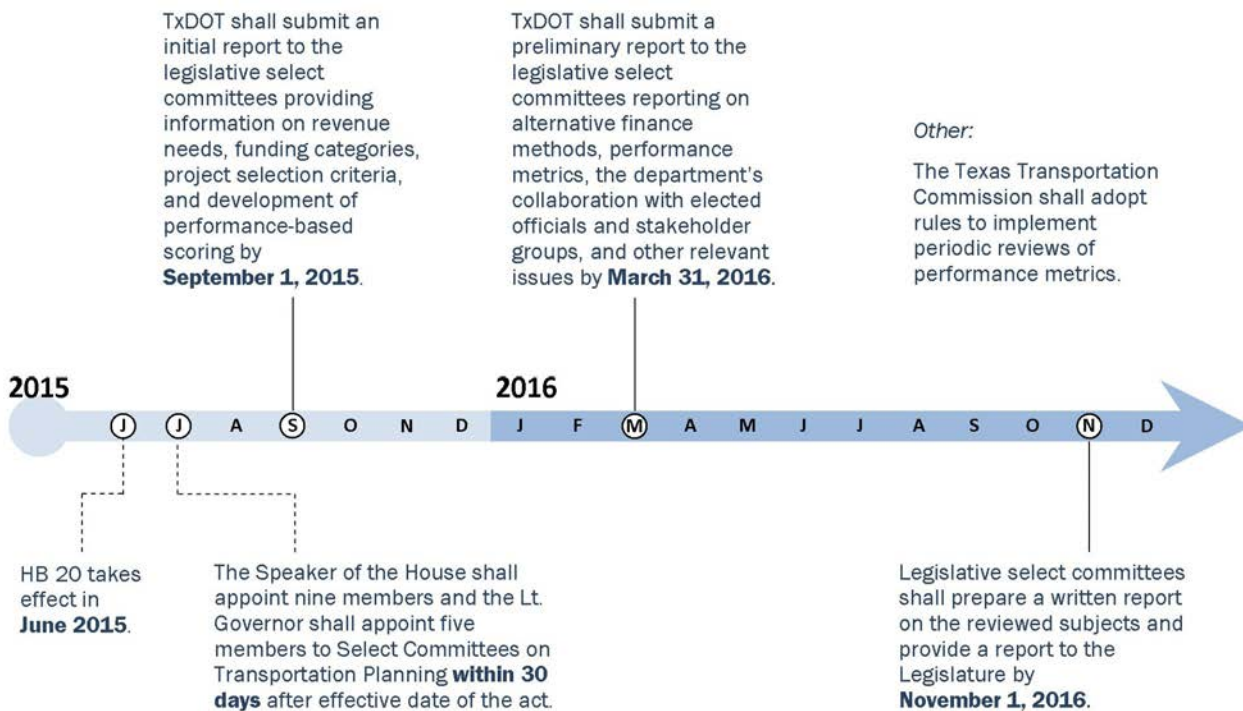
Limiting uses of the State Highway Fund

The bill removes the provision that money that is required to be used for public roadways by the Texas Constitution or federal law and that is deposited in the state treasury to the credit of the SHF, including money deposited to the credit of the SHF under Title 23, United States Code, can be used by the Department of Public Safety to police the state highway system and to administer state laws relating to traffic and safety on public roads.

It is noteworthy that this portion of the bill is significant for TxDOT's long-term planning. Because the legislature chose to enact this provision in statute (The Legislature also eliminated diversions in the biennial state budget), TxDOT may characterize the ending of diversions as a stream of revenue for its long-term planning rather than as a two year appropriation for the upcoming biennium.

Effective Date: June 3, 2015

HB 20 Implementation Timeline



Reforms to State Agency Contracting Processes

Senate Bill (SB) 20

Author: Senator Jane Nelson

Sponsor: Representative Walter T. "Four" Price

Background

Going into the 2015 legislative session, news stories and reports about certain state agencies called attention to problems with the way some state government contracts for goods and services had been administered. Early in the session, both the Governor and legislative leadership highlighted a need for improved contract management practices and reporting of contracts across state government agencies, which made the issue a top priority for the session.

SB 20 enhances reporting requirements and increases transparency and accountability so there is knowledge about and confidence in the way state government is spending tax dollars. SB 20 makes several changes to the way TxDOT and all other state agencies administer and report contracts and state expenditures for contracts.

TxDOT Contracting Overview

TxDOT has a longstanding history of open and competitive procurement practices for our contracts that protect the public's interest and strive to prevent fraud, waste and abuse.

These practices include a comprehensive program of oversight, control mechanisms and training for our employees involved in these contracting activities. TxDOT has implemented an active and aggressive training program for its contract managers and other contracting personnel, including selection team members, contract administrators, negotiators, contract reviewers, signature authorities and policy-makers.

TxDOT contracting activities are established and governed by statute. The majority of TxDOT's contracts fall into one of the following contracting (purchasing) methods: (1) Purchase Orders (Goods and Non-Professional Services); (2) Professional Services; (3) Highway Improvement (Construction and Maintenance) Contracts; and (4) Innovative Contracts.

For each of TxDOT's contracting and purchasing methods, TxDOT uses a number of tools to ensure standard practices. One of these tools is the use of extensive templates for a wide variety of contracts that are written and maintained by the Contract Service Office and are available through TxDOT's internal website. TxDOT's Contract Services Office serves as the agency's central office for contract management. This office is responsible for setting policies

regarding contracts, other than low bid contracts, and oversees the creation and administration of negotiated contracts. TxDOT reports all of its contracting activities to the Legislative Budget Board (LBB) on a monthly basis as well as reporting to the Comptroller of Public Accounts (Comptroller) through the Contract Advisory Teams as required by statute.

TxDOT employees involved in contract management, procurement and oversight must receive mandatory training related to their contract responsibilities, and all TxDOT employees receive ethics training annually. Many of these training programs and requirements exceed the standards established in state and federal procurement regulations. Some of TxDOT's contract management training programs are recognized by the Texas State Auditor's Office and the Comptroller as the training of choice for their own staff and the staff of other state agencies.

The large number of contracts and the variety of statutory contracting methods demands an active and wide-ranging training program for TxDOT's contract managers. TxDOT has established a training program for contract managers that incorporate general contract training offered by the Comptroller with additional mandatory training focused on the specific needs of TxDOT. TxDOT also offers optional training that enables contract managers to maintain certifications and gain additional knowledge in specific subjects.

Bill Summary

SB 20 requires the Comptroller to examine the feasibility and practicability of consolidating state purchasing functions into fewer state agencies or one state agency.

The bill requires state agencies to retain all contracts and associated contract solicitation documents and authorizes the destruction of those documents seven years after the completion or expiration date of a contract or after all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review or other action involving the contract or documents are resolved.

SB 20 enhances reporting requirements and increases transparency to ensure confidence in the way state government is spending tax dollars.

SB 20 requires state agencies to report, using Enterprise Resource Planning software, contract and purchasing information in the uniform manner that the Comptroller requires.

The bill also requires the contract manager or procurement director of each state agency to approve each state agency contract for which the agency is required to purchase goods or services using the best value standard and ensure that, for each contract, the agency documents the best value standard used for the contract and acknowledge in writing that the agency complied with the agency's and Comptroller's contract management guide.

SB 20 requires state agencies, including TxDOT, to review a vendor's performance under a contract once the contract is completed or otherwise terminated and report the results to the Comptroller using the Vendor Performance Tracking System. This requirement does not apply to professional services, consulting services or the services of a public entity.

The bill requires each agency to post on its website a list of each private sector contract the agency enters into for the purchase of goods or services, the statutory or other authority for any contract that is not competitively bid and the request for proposals related to a competitively bid contract. This information must remain on the website until the contract expires or is completed. The bill authorizes a state agency to monthly post contracts that are valued at less than \$15,000.

Each agency is also required, by rule, to establish a procedure to identify and report contracts that require enhanced contract or performance monitoring.

SB 20 requires each state agency employee or official who is involved in procurement or in contract management for a state agency to disclose to the agency any potential conflict of interest specified by state law or agency policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by the agency. The bill prohibits a state agency from entering into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials has a financial interest:

- a member of the agency's governing body;
- the governing official, executive director, general counsel, chief procurement officer or procurement director of the agency; or
- a family member related to an employee or official within the second degree by affinity or consanguinity.

The bill requires each agency to develop and implement contract reporting requirements for each contract for the purchase of goods or services with a value exceeding \$1 million that provides information on compliance with

financial provisions and delivery schedules under the contract, corrective action plans required under the contract and the status of any active corrective action plan and any liquidated damages assessed or collected under the contract.

It authorizes contracts for the purchase of goods or services exceeding \$1 million to be entered into only if the governing body of the agency approves the contract and the approved contract is signed by the presiding officer of the governing body (or approved and signed by the officer who governs the agency if a governing body does not exist). The bill allows the governing body (or governing official) to delegate to the executive director the approval and signature authority for contracts entered into exceeding a value of \$1 million.

SB 20 provides that a highway construction, engineering services or maintenance contract that is in compliance with all applicable laws related to procuring engineering services or construction bidding and that is awarded by TxDOT under Subchapter A, 223, Transportation Code, is not required to be signed by a member of the Texas Transportation Commission or the executive director of TxDOT.

The bill puts limits and new requirements on state agency contracting of commodity items and technology services from the Department of Information Resources.

It requires the contract management office or procurement director of an agency to verify in writing that the solicitation and purchasing methods and contractor selection process comply with state law and agency policy and submit to the governing body of the agency or governing official information on any potential issue that may arise in the solicitation, purchasing or contractor selection process for contracts for the purchase of goods and services exceeding a value of \$5 million.

SB 20 requires each state agency to publish a contract management handbook that establishes consistent contracting policies and practices to be followed by the agency and that is consistent with the Comptroller's contract management guide.

The bill requires the Comptroller to include ethics in training plans for state agency purchasing personnel.

Finally, SB 20 provides that a former state officer or employee of a state agency who, during the period of state service or employment, participated on behalf of a state agency in a procurement or contract negotiation involving a person, is prohibited from accepting employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.

Effective Date: September 1, 2015

Lane Restrictions for Trucks in Work Zones

House Bill (HB) 3225

Author: Representative Andrew Murr

Sponsor: Senator Sylvia Garcia

Background

Safety is the highest priority at TxDOT—both for the driving public as well as for TxDOT employees. TxDOT strives to accomplish this through continuous development of a workplace safety culture, expanded use of safety construction methods, improvement in work zone safety and the development of an innovative behavioral Traffic Safety Program. Incorporating safety planning into every aspect of construction and maintenance and working closely with a wide range of transportation safety stakeholders is how TxDOT works to protect the lives of those traveling our roadways and the lives of our hardworking employees.

There are approximately 1,000 projects underway across more than 80,000 miles of highway that TxDOT maintains. Each year in Texas, approximately 15,000 crashes and more than 100 deaths occur in roadway construction and maintenance zones. The most common causes of these crashes are failure to control speed and driver inattention.

For these reasons, TxDOT has an extremely active statewide effort to increase public awareness about the need to stay alert and slow down when driving through work zones. Held in conjunction each year with National Work Zone Awareness Week in April, this effort involves a statewide news conference and news release as well as local events across the state. In addition to this public information effort to improve work zone safety, TxDOT is also undertaking the following initiatives:

- Developing standards for the use of portable rumble strips in work zones on conventional highways and testing the use of these items in work zones on controlled-access freeways.
- Field testing new devices such as automated flagger assistance devices.
- Researching ways to improve handheld communications devices during flagging operations.
- Allowing workers to use wireless headsets that sync with two-way radio equipment inside TxDOT vehicles.

In addition to these actions, TxDOT works closely with the United States Department of Transportation Federal Highway Administration to continually review our work zones to ensure that they are designed according to all federal and state standards.

This session, with the passage of HB 3225, the Legislature provided TxDOT another tool to help address construction work zone safety.

Bill Summary

House Bill 3225 gives TxDOT the authority to restrict commercial motor vehicle traffic to a specific lane in a work zone that is on the state highway system. The executive director of TxDOT or a designee may initiate the restriction based on a traffic study that evaluates the effect of the restriction and its impact on safety. If the restriction is no longer needed to improve safety, the executive director or designee may rescind the restriction.



The lane restrictions only apply when traffic control device signs are installed. If a restriction is lifted, the traffic control devices must be removed. The lane restriction expires when construction is complete on the roadway.

Construction and maintenance work zones on roadways can be a challenge for drivers, especially with the many distractions caused by signs, equipment, workers and other factors. Commercial motor vehicles traveling through work zones add to these challenges. The number of accidents involving vehicles in work zones could be reduced if larger commercial motor vehicles were restricted to using one designated lane when traveling in a work zone with at least two lanes available.

Removing the potential speed differential between passenger vehicles and large commercial vehicles traveling in the work zones could reduce the number of lane changes and passing maneuvers attempted by passenger vehicles trailing a larger, slower moving commercial motor vehicle in a work zone, thereby increasing safety and reducing the number of accidents.

Effective Date: September 1, 2015

Deferred Maintenance Funding for State Facilities

Senate Bill (SB) 2004

Author: Senator Kevin Eltife

Sponsor: Representative Charlie Geren

Background

TxDOT has approximately 11,000 employees working in 25 districts throughout the state and at the TxDOT headquarters in Austin. These 25 districts are divided into areas with multiple maintenance offices with 253 counties in the state having at least one maintenance office. In addition, the Austin headquarters houses roughly 2,000 employees providing statewide leadership and support services for TxDOT and its 25 districts.

To support its operations, TxDOT owns and maintains 394 sites. The maintenance and repair of these operational sites are managed through the Support Services Division. The Support Services Division is committed to a comprehensive plan that provides a safe and healthy work environment for employees while protecting assets such as materials and equipment.

Across these sites, TxDOT owns and maintains 3,716 buildings and structures covering an estimated 10 million square feet of space. The buildings and structures are classified based on their purpose, which also drives their type of construction and degree of finish. In support of the state highway system, the Maintenance Division maintains 60 additional facilities.

The total asset value of all TxDOT facilities is estimated to be roughly \$1.75 billion.

As the buildings, utilities and other systems continue to age, their deterioration has been accelerated due to the shortage of funding for both the maintenance necessary to maintain their original, anticipated useful life, and the repairs necessary to restore damaged or worn-out buildings and systems to their normal operating condition. Many facilities now exceed their expected service life, which for most facilities is 50 years.

In 2013, TxDOT hired Ernst and Young to study TxDOT's facilities. The study concluded that much of TxDOT's building stock is functionally obsolete. Buildings that exceed their useful life often have inefficient heating and cooling systems and were not designed in accordance with modern business practices. The poor conditions of the facilities reduce worker effectiveness. The high level

of deferred maintenance contributes to a poor working environment for TxDOT employees and can lead to costly emergency fixes.

Over many years, the lack of sufficient appropriations for facilities' needs has resulted in the deferment of needed facility maintenance, which has resulted in an increased backlog of necessary renovations, upgrades and replacements. Based upon the number of buildings and structures, their extended age, their function, and their deteriorated condition, TxDOT estimates that the need to bring all facilities back to a good state of repair exceeds \$1 billion.

Bill Summary

SB 2004 puts in place a plan to provide that state facilities are properly maintained. This will ensure a safe environment for employees and visitors, the efficiency of building operations and a long-term reduction in repair costs by promptly addressing deferred maintenance issues. While SB 2004 establishes a deferred maintenance fund in the general revenue fund, per Article IX, Sec. 18.09 (a)(3)(B) of the appropriations bill, TxDOT's money was appropriated from the State Highway Fund (SHF).

The Joint Oversight Committee on Government Facilities, consisting of three members of the Senate and three members of the House of Representatives, will review and receive implementation updates on deferred maintenance actions taken by state agencies.

In Article IX, Sec. 18.09 (a)(3)(B) of the appropriations bill, TxDOT is authorized to use \$200 million from the SHF for the repair or rehab of buildings and facilities under a "deferred maintenance" category of funding.

TxDOT will work with the Joint Oversight Committee on Government Facilities to provide implementation updates on deferred maintenance actions taken by TxDOT with the \$200 million.

Effective Date: May 28, 2015

SB 2004 aims to ensure a long-term reduction in repair costs by promptly addressing deferred maintenance issues.

Authorization of Toll Payment Services by Third-Party Vendors

Senate Bill (SB) 1467

Author: Senator Kirk Watson

Sponsor: Representative Larry Gonzales

Background

Texas toll roads are operated by various governmental entities, including state, regional and county toll authorities. TxDOT is the sole statewide toll authority, and its network of toll roads includes the Central Texas Turnpike System (CTTS) around Austin, the Camino

SB 1467 allows third parties, such as supermarkets, to contract with TxDOT to provide toll account payment services.

Columbia (SH 255) near Laredo and several segments of the Grand Parkway (SH 99) in Harris, Montgomery and Chambers Counties, which will eventually form a loop around Houston (see map, opposite page).

TxDOT is currently authorized to

enter into contracts with one or more private entities to operate customer service centers and collect tolls for toll projects for TxDOT's network of toll roads. Under this authorization, TxDOT currently contracts with a private

vendor, which operates the TxTag system, to collect tolls for highways throughout the state. Currently, there is only one "walk-in" TxTag customer service center in the state, located in Austin, where customers can pay their bill or speak to a representative face-to-face.

Bill Summary

To improve the customer experience and enable access to multiple payment options for TxDOT's network of toll roads, SB 1467 amends Section 228.052, Transportation Code, to authorize a third party to enter into an agreement with TxDOT to provide services for a customer to make a toll account payment and to authorize the third party to collect a customer service charge. The Texas Transportation Commission may determine, by rule, the maximum amount of a service charge, not to exceed \$3.

By allowing third parties to collect a service charge for toll account payments, SB 1467 allows third parties, such as supermarkets, to contract with TxDOT to provide these services. In exchange for the service charge, SB 1467 provides motorists with more accessible and additional payment options. In addition, the bill will allow TxDOT to expand customer payment locations without expending the cost that would otherwise be incurred to establish, maintain and staff new facilities.

Effective Date: September 1, 2015

TxDOT Report on Eliminating Toll Roads

House Bill (HB) 2612

Author: Representative Joe Pickett

Sponsor: Senator Bob Hall

Background

Transportation officials and policymakers recognize that traditional transportation funding methods in Texas have left a large gap between what is available and what is necessary to address transportation challenges. Over the years, the Texas Legislature has enacted laws that provide methods for TxDOT to partially fill that gap. One method that has been available to TxDOT and its transportation partners is the construction and operation of toll roads.

Tolling has been used as a method to fund roads and relieve traffic congestion more quickly because funds are typically borrowed up-front instead of waiting for traditional funding from gas taxes and registration fees to become available. TxDOT's network of toll roads across the state provides Texans with more choices to get where they want and need to travel. As the sole statewide toll authority, TxDOT's network of toll roads includes the Central Texas Turnpike System (CTTS) around Austin, the Camino Columbia (SH 255) near Laredo and several segments of the Grand Parkway (SH 99) in Harris, Montgomery and Chambers Counties, which will eventually form a loop around Houston.

Bill Summary

HB 2612 requires TxDOT to provide a report to Senate and House Transportation Committee members no later

than September 1, 2016, regarding the removal of tolls on most toll projects in the state. The toll report will include:

- The amount of debt service on bonds issued for each toll project in the state;
- Bonds appropriate for accelerated or lump-sum payments of debt service as identified based on criteria approved by the Texas Transportation Commission; and
- A plan to eliminate all toll roads in the state with the exception of tolls on roads constructed, operated or maintained only with the proceeds of bonds issued by a toll project entity other than TxDOT.

TxDOT's plan to eliminate toll roads could include the accelerated or complete lump-sum repayment of debt or requiring a commitment by a toll project entity to eliminate tolls on projects for which TxDOT has provided financial assistance.

The bill will not be codified in statute as it does not amend existing law. In addition to HB 2612, Rider 46 in HB 1, 84(R) requires the production of this report. Rider 46, however, requires the submission of the report to the Legislative Budget Board in addition to the Senate and House Transportation committees.

Effective Date: September 1, 2015

Funding and Budget



impacted counties across the state, authorizes TxDOT to continue the reimbursement of funds from the CTIF, which was funded by HB 1025 (Supplemental Appropriations) during the Regular Session of the 83rd Legislature. This session's supplemental bill extends the unexpended balance authority to the upcoming biennium, to allow TxDOT to continue to expend the \$225 million that was appropriated last session to reimburse Texas counties for road maintenance and construction projects aimed at addressing the ongoing impacts of energy sector activities

Effective Date: June 20, 2015

HB 2

Supplemental appropriations and direction and adjustment authority regarding appropriations

Author: Representative John Otto

Sponsor: Senator Jane Nelson

Bill Summary

HB 2, the supplemental appropriations bill, revises appropriations of the previous Legislature by adjusting appropriations to state agencies to address revised revenue estimates and supplemental needs of the current fiscal year (FY) 2015. The bill has two provisions that impact TxDOT's FY2014-15 budget. First, the bill reduces unencumbered debt service appropriations on Proposition 12 bonds. Second, HB 2 allows TxDOT to continue reimbursement payments to counties under the County Transportation Infrastructure Fund (CTIF) grant program.

Impact on TxDOT

The bill reduces \$22.1 million in unencumbered FY2014-15 appropriations from the general revenue fund to TxDOT. These general revenue funds are no longer necessary in the current fiscal biennium to pay debt service on general obligation, Proposition 12 bonds. The result was that \$22.1 million was returned to the general revenue fund to serve other state needs.

The timing of the last issuance of Proposition 12 bonds and low interest rates resulted in appropriations that exceeded the funds necessary to make debt service payments in the current biennium. While this reduction in funding does not directly impact TxDOT, this reduction, along with the prior unencumbered reduction of \$47.9 million in other TxDOT debt service payments resulted in a savings to the state which allowed the Legislature to use those funds for other state needs.

Another important portion of the bill which effects energy

HB 7

Amounts, availability, and use of certain statutorily dedicated revenue and accounts

Author: Representative Drew Darby

Sponsor: Senator Jane Nelson

Bill Summary

For more than 20 years, certain unspent dedicated revenue in the general revenue fund has counted toward the overall state budget certification. The amount of dedicated revenue used to certify the budget has grown substantially over the past two decades. HB 7 seeks to address the amounts, availability and use of certain statutorily dedicated revenue and accounts and to reduce the amounts and rates of certain statutorily dedicated fees and assessments. The bill amends current law relating to the amounts, availability and use of certain statutorily dedicated revenue and accounts, provides for the dedication and use of certain state revenue and reduces or affects the amounts or rates of certain statutorily dedicated fees and assessments.

The only provisions of the bill with a direct impact to TxDOT pertain to the allocation of fees from the initial inspection of new passenger cars and light trucks. Vehicle inspection certificate fees are statutorily dedicated to the Texas Mobility Fund (TMF) except as provided by Texas Health and Safety Code, Sections 382.202 and 382.0622. These provisions authorize the establishment of vehicle emissions and inspection maintenance programs in counties in nonattainment of the federal clean air standard, and direct \$2 of each fee collected for inspections of those vehicles to the Clean Air Account. The Comptroller of Public Accounts (Comptroller) has determined that the bill limits the allocation of vehicle inspection certificate fees to Clean Air Account No. 151 to \$2 of each fee. Currently, \$4 of the two-year vehicle inspection certificate fee is deposited to the Clean Air Account.

Impact on TxDOT

According to the Comptroller, provisions in the bill pertaining to the allocation of fees from the initial inspection of new passenger cars and light trucks will result in a \$5.9 million loss to the Clean Air Account and a gain to the TMF in the same amount for the 2016-2017 biennium.

Effective Date: September 1, 2015

HB 1888

Relating to commercial driver's licenses and commercial learner's permits and the operation of commercial motor vehicles; authorizing a fee; increasing a penalty

Author: Representative Giovanni Capriglione

Sponsor: Senator Van Taylor

Bill Summary

HB 1888 brings Texas statute substantially into compliance with various Moving Ahead for Progress in the 21st Century Act (MAP-21) and Title 49 Code of Federal Regulations, Sections 383 and 384 regulations as they relate to commercial driver's licenses and commercial learner's permits. Compliance with federal regulations is necessary in order to avoid federal highway apportionment funding penalties. The law also creates a new \$24 charge for a "commercial learner's permit" for original applicants seeking to operate commercial vehicles. Typically, fees from commercial driver licenses are deposited in the Texas Mobility Fund (TMF).

Impact on TxDOT

The bill makes changes to the commercial driver license (CDL) program. Many of the changes amend nomenclature, for example, "nonresident" is changed to "non-domiciled" and "commercial driver learner's permit" is changed to "commercial learner's permit." These are the terms used in the federal regulations.

There are also several changes to CDL-related fees. The commercial learner's permit fee is reduced from \$60 to \$24, but it is now only valid for 180 days. Following the 180-day permit expiration, applicants must apply for the \$60 CDL. Non-domiciled skills test fees are \$60 under the new requirements. Fees established under Transportation Code §522.029 are deposited in the TMF.

The TMF receives deposits from fees collected from commercial driver's licenses. The new law sets the fees for commercial learner's permits at \$24. The Texas Department of Public Safety estimates that an average of 14,000 original commercial driver's license permits are issued each year. Therefore, the TMF will receive an additional \$336,000 each fiscal year.

A number of the substantive changes above are required by current federal regulations. One regulation notably absent from HB 1888 was the prohibition of the use of cell phones by CDL holders while driving commercial vehicles. Failure of the state to substantially comply with the CDL regulations in MAP-21 could result in the loss of 5% of 23 USC 104(b)(1), (b)(3) and (b)(4) funds in year one (~\$118,467,873) and 10% (~\$236,935,745) of those funds in year two.

Effective Date: January 1, 2016, except Section 35 relating to self-certification of Medical Status, which takes effect January 30, 2016.

SB 1512

Texas Department of Motor Vehicles Fund

Author: Senator Kelly Hancock

Sponsor: Representative Joe Pickett

Bill Summary

SB 1512 recreates the Department of Motor Vehicles (DMV) Fund as a separate fund in the state treasury, yet outside of the General Revenue Fund. The DMV Fund was originally proposed during 83rd Legislature, Regular Session under HB 2202. The DMV Fund was not previously established, because it was not included in the funds consolidation bill of the 83rd Legislative Session.

Impact on TxDOT

The creation of the fund allows the DMV the opportunity to be funded separately from the State Highway Fund (SHF), and will allow the SHF to be used solely for TxDOT and transportation related expenditures.

Effective Date: September 1, 2016

For featured legislation on funding and the budget, see the following bills:

- HB 1 - General Appropriations Act, **pg. 6**
- SJR 5/Proposition 7 - Constitutional Amendment for Transportation Funding, **pg. 6**
- HB 122 - Texas Mobility Fund, **pg. 12**

State Contracting



Impact on TxDOT

TxDOT will be required to adopt rules and make necessary changes in TxDOT contracting policies, procedures and training for all contracts valued at \$1 million or more. TxDOT will be required to monitor the TEC rule making process concerning the 'disclosure of interested parties form' that be required to be used going forward for all contracts valued at \$1 million or more. TxDOT will need to set up standard operating procedures for TxDOT to submit the completed forms to the TEC no later than the 30 days after the date the state agency receives the disclosure.

Effective Date: September 1, 2015

HB 1295

Disclosure of interested parties by persons contracting with governmental entities and state agencies

Author: Representative Giovanni Capriglione

Sponsor: Senator Kelly Hancock

Bill Summary

HB 1295 prohibits a governmental entity or state agency from entering into a contract with a business entity, that requires an action or vote by the governing body of the entity or agency before the contract may be signed or has a value of at least \$1 million, unless the business entity submits a disclosure of interested parties to the signed contract to the governmental entity or state agency. The bill requires the disclosure of interested parties to be submitted on a form prescribed by the Texas Ethics Commission (TEC) that includes a list of each interested party for the contract of which the contracting business entity is aware and the signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

HB 1295 requires the governmental entity or state agency to submit a copy of the disclosure to the TEC no later than the 30th day after the date the governmental entity or state agency receives a disclosure of interested parties. The bill requires the TEC to adopt rules necessary to prescribe the disclosure of interested parties form and post a copy of the form on the TEC's website.

For featured legislation on state contracting, see the following bill:

- SB 20 - Reforms to State Agency Contracting Processes, **pg. 16**

Planning, Maintenance and Engineering



HB 463

Ability to mow, bale, shred or hoe material on a state highway right of way

Author: Representative Drew Springer

Sponsor: Senator Lois Kolkhorst

Bill Summary

HB 463 allows a person who lives in a county with a population of 10,000 or less to mow, bale, shred or hoe material in state rights of way without adjoining landowners being first offered the first right of refusal. TxDOT district office will have to approve requests before requestor could begin mowing, as is currently required. Under the previous law, TxDOT staff would notify all adjoining landowners of mowing requests and offer them the opportunity to mow the right of way.

Impact on TxDOT

TxDOT will need to modify procedures and forms to reflect changes in law, specifically the removal of notification to impacted landowners in counties with populations of 10,000 or less.

Effective Date: June 18, 2015

HB 3302

Highway landscaping projects

Author: Representative Drew Darby

Sponsor: Senator Lois Kolkhorst

Bill Summary

HB 3302 requires that TxDOT develop guidelines to require the use of only regionally appropriate plants for highway landscaping.

Impact on TxDOT

HB 3302 should have minimal impact to TxDOT. Current TxDOT procedures require regionally appropriate plants to be used in highway landscaping.

Effective Date: September 1, 2015

SB 570

Use of fireworks at certain TxDOT rest areas

Author: Senator Craig Estes

Sponsor: Representative J.D. Sheffield

Bill Summary

HB 570 requires that TxDOT install signs to prohibit the use of fireworks at a highway rest stop if the corresponding county commissioners court petitions the Texas Transportation Commission (commission) for the installation of signs. Before the commission approves the minute order authorizing installation, the petitioning county must pay for the cost of designing, constructing and installing the signs. The petitioning county must also pay for maintenance and replacement of the signs.

Impact on TxDOT

If a county petitions the commission, upon the commission's consideration and approval, TxDOT will be responsible for installing signs (at the cost of the petitioning county) to prohibit fireworks at a highway rest stop.

Effective Date: September 1, 2015

For featured legislation on planning, see the following bill:

- HB 20 - TxDOT Planning Processes, pg. 13

Traffic Safety



Impact on TxDOT

The bill is anticipated to have minimal operational impact on TxDOT, as it could lead to a minor increased activation of DMS for Silver Alerts.

Effective Date: May 29, 2015

HB 2633

Release of information regarding motor vehicle accidents

Author: Representative Ana Hernandez

Sponsor: Senator Charles Perry

Bill Summary

HB 2633 eliminates the previous process of an individual's ability to request a crash report by providing two of three identifying factors and replaces it with a requirement that the requestor be directly connected to the crash. Under HB 2633, the following individuals are eligible to request a report:

- Any driver or person involved in the crash, or their authorized representative
- An employer, parent, or legal guardian of a driver involved in the crash
- The owner or of a vehicle or property damaged in the crash
- A person who has financial responsibility for a vehicle involved in the crash
- An insurance company that covered a vehicle or person involved in the crash
- Any person who may sue because of a death resulting from the crash

The bill also adds radio, television and newspaper media meeting certain criteria to those eligible to request a report. The bill also requires TxDOT to create a redacted crash report that may be requested by any person.

Impact on TxDOT

TxDOT will be required to make software changes, including the creation of a certification document, to the Crash Records Online Purchase System.

Effective Date: June 18, 2015

HB 745

Installation of solar-powered stop signs by property owners' associations

Author: Representative Dwayne Bohac

Sponsor: Senator Van Taylor

Bill Summary

HB 745 allows a property owners association (POA) to install solar powered light-emitting diode (LED) stop signs within their development. In accordance with current statute, an association would be required to receive consent from the governmental entity that maintains the road.

Impact on TxDOT

The use of a solar-powered LED stop sign at an intersection is an allowable traffic control device (device) under the Texas Manual on Uniform Traffic Control Devices (TMUTCD). TxDOT will need to work with the POA to ensure the device is in compliance with the TMUTCD if the device is located on the state highway system.

Effective Date: June 10, 2015

HB 834

Issuance of a silver alert for a missing senior citizen

Author: Representative Ana Hernandez

Sponsor: Senator Brandon Creighton

Bill Summary

HB 834 removes the Texas residency requirement for missing senior citizens to be included in the Silver Alert Program. TxDOT activates dynamic message signs (DMS) to display an alert regarding a missing senior citizen. The program is managed by the Texas Department of Public Safety.

HB 2946

Laws governing the intersections of railroad tracks and public railways

Author: Representative Larry Phillips

Sponsor: Senator Robert Nichols

Bill Summary

HB 2946 repeals sections of the Transportation Code regarding rail safety that were preempted by federal law or by Texas Attorney General Opinion. The federal government, in an effort to create uniformity across all states, has included preemption language in rail safety law and related regulations. The listed sections of Transportation Code are no longer enforceable.

The repeal of Transportation Code, Sections 471.003, 471.006, 471.007 and 471.008 does not remove any safety protections that Texans currently have at public highway-rail grade crossings.

Section 471.003 previously required the state to operate a toll-free number for the public to report malfunctions of signals at highway-rail crossings and post associated signage. Recently enacted federal law preempted the statute and now requires railroad companies to perform these duties, including installation and maintenance of the signs displaying the information, by September 1, 2015. Therefore, the state operated statewide toll-free number is no longer necessary.

Sec. 471.006 previously set out the requirements for the use of a train bell and whistle at all public crossings. This section has been preempted by federal law that establishes similar safety standards.

Texas Attorney General Opinion No. GA-0331 (2005) determined that Section 471.007, which provided for a criminal offense if a train blocks a railroad crossing for more than 10 minutes, is preempted by the Federal Interstate Commerce Commission Termination Act of 1995 and the Federal Railroad Safety Act. Accordingly, Section 471.008, which authorized a municipality to provide exemptions to the application of Section 471.007 in certain circumstances, no longer applies.

Impact on TxDOT

The bill is anticipated to have minimal operational impact on TxDOT.

Effective Date: June 17, 2015

SB 449

Redefines “motorcycle” in the Transportation Code

Author: Senator Paul Bettencourt

Sponsor: Representative Larry Gonzales

Bill Summary

SB 449 amends the statutory definition of a motorcycle to include an autocycle for vehicle titling and registration. The bill defines an autocycle as a motor vehicle with no more than 3 wheels, a steering wheel, and seating that does not require the operator to straddle the seat. An autocycle must also be in compliance with federal safety standards for a motorcycle.

The bill specifies that a Class M driver’s license holder is not prohibited from operating an autocycle. Operators of an autocycle are required to follow the statutory requirements regarding helmets for operators of a motorcycle.

Impact on TxDOT

The bill is anticipated to have minimal operational impact on TxDOT. Autocycles will now be classified as motorcycles when analyzing crash data.

Effective Date: May 22, 2015

SB 754

Funding for motorcycle training and safety programs, including increasing the motorcycle and moped registration fee

Author: Senator Kirk Watson

Sponsor: Representative Bill Zedler

Bill Summary

SB 754 expands the eligible expenditures of the Motorcycle Education Fund to include the TxDOT Share the Road motorcycle safety awareness campaign. The Texas Department of Public Safety (DPS) is the designated agency to operate and administer the fund. The bill only includes permissive language for DPS to utilize funds to assist with the cost of TxDOT’s Share the Road campaign.

Impact on TxDOT

Expanding the eligible expenditures of the Motorcycle Education Fund to include the TxDOT Share the Road motorcycle safety awareness campaign may help to improve motorcycle and traffic safety.

Effective Date: September 1, 2015

SB 1918

Use of certain lighting equipment on motorcycles

Author: Senator Kirk Watson

Sponsor: Representative Joe Pickett

Bill Summary

SB 1918 allows an individual to operate a motorcycle with light-emitting diode "ground effect" lighting in a non-flashing amber or white color attached to the underbody. This bill is an effort to increase visibility and safety.

Impact on TxDOT

The bill is anticipated to have minimal operational impact on TxDOT and may prove to increase motorcycles visibility and traffic safety.

Effective Date: September 1, 2015

For featured legislation on traffic safety, see the following bill:

- HB 3225 - Lane Restrictions for Trucks in Work Zones, pg. 18

Toll Roads



HB 565

Powers of private toll project entities

Author: Representative Cindy Burkett

Sponsor: Senator Lois Kolkhorst

Bill Summary

HB 565 requires the Texas Transportation Commission (commission), before approving the construction of a privately owned turnpike or toll project that will connect to the state highway system, to hold a local public meeting concerning the project. The bill repeals the ability of a private toll road corporation to exercise the power of eminent domain and states that a private toll project entity can enter into an agreement with a public toll project entity (i.e. TxDOT, Regional Mobility Authority, Regional Tollway Authority, or a county) to finance, construct, maintain or operate a toll road.

Impact on TxDOT

TxDOT's current rules concerning commission approval of the construction of a privately owned turnpike or toll project that will connect to the state highway system already require TxDOT to hold public meetings on projects as described in the bill. The provision repealing a private toll road corporation's right to exercise the power of eminent domain does not directly impact TxDOT.

Effective Date: June 20, 2015

For featured legislation on toll roads, see the following bills:

- SB 1467 - Third-Party Vendors for Toll Payments, **pg. 20**
- HB 2612 - Report on Eliminating Toll Roads, **pg. 21**

Eminent Domain and Right of Way



of way (ROW) to the City of Dripping Springs in 2013, but the deed contains a requirement that the property automatically revert to TxDOT should it no longer be used for public road purposes.

HB 1738 allows the City of Dripping Springs to transfer a portion of the ROW on old U.S. 290 it acquired in 2013 to a private developer in exchange for another piece of property with an equal value.

Impact on TxDOT

TxDOT must enter into an agreement with the City of Dripping Springs to allow for the removal of the 2013 right of reverter and transfer of a portion of the ROW on old U.S. 290 to a private developer in exchange for another property that is equal in value. The City of Dripping Springs must place a restrictive covenant on the exchanged property it receives that grants the property to TxDOT should it cease to be used for public road purposes.

Effective Date: June 18, 2015

HB 497

Saltwater pipeline facilities near public roads

Author: Representative Gene Wu

Sponsor: Senator Carlos Uresti

Bill Summary

HB 497 broadens the definition of "Saltwater Pipeline Facility" to include not only pipelines carrying produced water from oil, gas or another type of well as the current definition entails, but also pipelines carrying non-produced water to a well.

Impact on TxDOT

The impact to TxDOT will be minimal as TxDOT has developed rules and procedures for leasing right of way for produced water pipelines emanating from a well. TxDOT will have to adopt conforming changes in the Texas Administrative Code to broaden the definition of "Saltwater Pipeline Facility" to include pipelines carrying non-produced water to a well.

Effective Date: June 10, 2015

HB 1738

Release of certain restrictions on the use of highway right of way transferred to a municipality from TxDOT

Author: Representative Jason Isaac

Sponsor: Senator Donna Campbell

Bill Summary

U.S. 290 was realigned to its current configuration in Hays County many years ago, and sometime in the 1960's TxDOT transferred "maintenance, control and jurisdiction" of the abandoned portion of road to Hays County. The abandoned loop was thus removed from the state highway system and renumbered as County Road 320. TxDOT conveyed the right

HB 1982

Transfer of state property from TxDOT to the University of Houston

Author: Representative Rick Miller

Sponsor: Senator Lois Kolkhorst

Bill Summary

HB 1982 directs TxDOT to transfers ownership of 16.194 acres of unused surplus right of way (ROW) owned by TxDOT at the corner of Hwy 59 and University Blvd in Sugar Land to the University of Houston. The bill requires that the property revert back to TxDOT if the university does not use the property for a purpose that benefits the public interest of the state.

Impact on TxDOT

TxDOT will execute the proper legal documents and transfer the 16.194 acres of ROW by December 31, 2015. TxDOT will no longer be required to maintain the property once ownership is transferred.

Effective Date: September 1, 2015

HB 2536

Jurisdiction of an eminent domain proceeding in Harris County

Author: Representative Patricia Harless

Sponsor: Senator John Whitmire

Bill Summary

HB 2536 allows eminent domain cases in Harris County with an amount in controversy over \$200,000 to be filed in district court or in county civil court at law, instead of exclusively in county civil court at law. The bill will not take any authority away from the county courts but rather give concurrent jurisdiction to district courts over a limited number of eminent domain cases. About 85 percent of eminent domain cases will remain under the exclusive jurisdiction of the county courts. County courts were given exclusive jurisdiction over these cases because of overburdened district court dockets in the 1980s. Dockets in district courts have become much more manageable, and they are fully capable of handling this caseload.

Impact on TxDOT

The bill may benefit TxDOT by providing access to a greater number of courts in Harris County with eminent domain jurisdiction, thereby potentially speeding up the condemnation process and saving taxpayer dollars. Eminent domain is an important part of TxDOT's process to provide transportation solutions, and the bill may allow these proceedings to function more efficiently.

Effective Date: September 1, 2015

SB 574

Creation of the State Cemetery preservation trust fund

Author: Senator Kirk Watson

Sponsor: Representative Elliott Naishtat

Bill Summary

In early 2015, TxDOT sold surplus right of way in Austin, TX, referred to as the Bull Creek property, through TxDOT's disposition of surplus property process. A portion of that property was under the jurisdiction of the Texas State Cemetery for use as a cemetery. Accordingly, a portion of the sales proceeds are owed to the Texas State Cemetery Committee in the amount of \$10 million per the memorandum of understanding (MOU) between TxDOT and the Texas State Cemetery Committee. The funds are currently held in a State Highway Fund subaccount.

SB 574 creates a preservation trust fund for the Texas State Cemetery. The bill allows the Comptroller of Public Accounts (Comptroller) to transfer funds owed to the Texas State

Cemetery, per TxDOT MOU, from TxDOT Bull Creek property sale to the trust fund in the amount of \$10 million. The trust fund will be held by the Comptroller.

Impact on TxDOT

Minimal administrative action will be required to monitor transfer of the funds per the MOU.

Effective Date: September 1, 2015

SB 638

Transfer of certain state property from TxDOT to the Shepherd Independent School District

Author: Senator Robert Nichols

Sponsor: Representative John Otto

Bill Summary

SB 638 directs TxDOT to transfer 12.2 acres of surplus right of way (ROW) in Shepherd, TX to the Shepherd Independent School District (SISD) for the original price of acquiring the property. If the school district uses the property other than for a public purpose, the district must pay TxDOT the fair market value for the property. Under the bill, TxDOT retains ownership of a TxDOT radio tower site and an access easement to the tower on the property.

Impact on TxDOT

TxDOT will execute the proper legal documents and transfer the 12.2 acres of ROW by September 30, 2015. TxDOT still retains ownership of a TxDOT radio tower site and an access easement to the tower on the property. TxDOT will no longer be required to maintain the property once ownership is transferred.

Effective Date: June 19, 2015

SB 1812

Transparency in reporting of eminent domain authority and the creation of an eminent domain database

Author: Senator Lois Kolkhorst

Sponsor: Representative Charlie Geren

Bill Summary

SB 1812 requires the Comptroller of Public Accounts (Comptroller) to create an eminent domain database on a website maintained by the Comptroller. The Comptroller is required to update the information annually. The bill requires public and private entities, including common carriers, with state authorized eminent domain authority to submit an annual report with eminent domain information. The bill states that if an entity does not timely provide the required

information to the Comptroller, the Comptroller must provide written notice to the entity informing the entity of the violation and notifying the entity that it will be subject to a penalty of \$1,000 if the entity does not report the required information on or before the 30th day after the date the notice is provided. The reporting, failure to report or late submission of a report by a public or private entity, including a common carrier, does not affect the entity's authority to exercise the power of eminent domain.

Impact on TxDOT

TxDOT will set up the proper internal processes to provide the required information to the Comptroller and ensure that it remains updated and current. The bill will have minimal impact on TxDOT.

Effective Date: June 19, 2015

Oversize/Overweight Vehicles and Corridors



HB 1321

Route designation for the issuance of a permit for the movement of oversize and overweight vehicles in certain counties

Author: Representative Dennis Bonnen
Sponsor: Senator Joan Huffman

Bill Summary

HB 1321 adds additional roadways to the oversize/overweight (OS/OW) corridor for which the Port of Brownsville is authorized to issue permits under an agreement with the Texas Transportation Commission (commission). Those roadways include portions of FM 106, FM 509, FM 1846 and US 77 Business and will provide access to the Harlingen Industrial Park, the Harlingen Areopolis and the Port of Harlingen.

The bill adds additional roadways, including portions of LP 419, SH 35, SH 36 and FM 1495, to the OS/OW vehicle corridor for which Port Freeport is authorized to issue OS/OW vehicle permits under an agreement with the commission.

Impact on TxDOT

The commission will be required to amend TxDOT's administrative rules governing operation of the Port of Brownsville and Port Freeport OS/OW corridors and revise the contracts with the Port of Brownsville and Port Freeport. TxDOT anticipates that the cost of increased pavement and bridge consumption on the state highways involved would be offset by share of permit revenue collected by the city and submitted to TxDOT required by current law.

Effective Date: September 1, 2015

HB 1741

Route designation for the issuance of a permit for movement of oversize and overweight vehicles in certain counties

Author: Representative Eddie Lucio III
Sponsor: Senator Eddie Lucio Jr.

Bill Summary

HB 1741 adds portions of US 77, FM 1846, FM 509 and FM 106 to the oversize/overweight (OS/OW) corridor for which the Port of Brownsville is authorized to issue OS/OW permits. In addition to the Port of Harlingen, the additional roadways will serve the Harlingen Industrial Park and the Harlingen Aeropolis at Valley International Airport.

Impact on TxDOT

The Texas Transportation Commission (commission) will be required to amend TxDOT's administrative rules governing operation of the Port of Brownsville corridor and revise the contracts with the Port of Brownsville. TxDOT anticipates that the cost of increased pavement and bridge consumption on the state highways involved would be offset by the state's share of permit revenue collected by the Port of Brownsville and submitted to TxDOT required by current law.

Effective Date: September 1, 2015

HB 1969

Issuance of certain permits for the movement of oversize or overweight vehicles on certain highways

Author: Representative Armando "Mando" Martinez
Sponsor: Senator Eddie Lucio Jr.

Bill Summary

HB 1969 adds four additional routes, including portions of FM 1015 and US Highway 83 Business, to the oversize/overweight (OS/OW) vehicle corridor for which the Hidalgo County Regional Mobility Authority (authority) is authorized to issue permits under an agreement with the Texas Transportation Commission (commission).

The bill requires the authority to file with TxDOT a surety bond payable to TxDOT, in an amount set by TxDOT, conditioned that the authority will pay TxDOT any shortfall between the amount of permit fee revenue paid to TxDOT under the provisions of the bill and TxDOT's annual cost to repair any damage resulting from the movement of the permitted OS/OW vehicles to the roads and highways that make up the corridor.

The bill requires TxDOT to set the amount of the surety bond based on the estimated annual cost to repair the roadways that make up the corridor resulting from the movement of the permitted OS/OW vehicles.

Impact on TxDOT

The commission will be required to amend TxDOT's administrative rules governing operation of the authority's corridor and revise the contracts with the authority. TxDOT anticipates that the cost of increased pavement and bridge consumption on the state highways involved would be offset by the state's share of permit revenue collected by the authority and submitted to TxDOT required by current law.

Effective Date: September 1, 2015

HB 2861

Optional procedure for the issuance of a permit by the City of Laredo for movement of oversize or overweight vehicles carrying cargo in Webb County

Author: Representative Richard Pena Raymond

Sponsor: Senator Judith Zaffirini

Bill Summary

HB 2861 provides an optional procedure for issuing certain oversize/overweight (OS/OW) permits. It authorizes the Texas Transportation Commission (commission) to authorize the City of Laredo (city) to issue permits for OS/OW vehicles transporting loads up to 125,000 pounds on two segments of FM 1472 and certain city roadways in Webb County.

The bill authorizes the commission to require the city to execute, at its own expense, a surety bond of at least \$500,000, payable to TxDOT, for costs of maintaining the roadways included in the proposed OS/OW corridor.

Under the bill, the maximum permit fee would be \$200, which the city could adjust for inflation each year, beginning on September 1, 2016. The city could retain 15 percent of permit fee revenue for administrative expenses, with the remainder divided between the city and the State Highway Fund based on certain lane mile calculations, which would be adjusted every two years.

The bill requires permits to meet certain requirements and list the time of movement. It limits vehicles transporting permitted loads to 55 mph or the posted speed, whichever is less. It provides that speed limit violations will be moving violations. The bill authorizes the Texas Department of Public Safety to enforce permit requirements and other provisions of the subchapter.

Impact on TxDOT

The bill requires TxDOT to create a pavement management plan for TxDOT's roadways included in the proposed OS/OW corridor. It requires the commission to adopt rules to implement the subchapter. TxDOT anticipates that the cost of increased pavement and bridge consumption on the state highways involved would be offset by the state's share of permit revenue collected by the city and submitted to TxDOT required by current law.

Effective Date: September 1, 2015

SB 562

Annual permits to move certain equipment

Author: Senator Robert Nichols

Sponsor: Representative Larry Phillips

Bill Summary

SB 562 authorizes the Department of Motor Vehicles (DMV) to issue a new type of annual permit that would allow a person to operate over a state highway or road a vehicle or combination vehicle with a maximum length of 110 feet and a maximum height of 14 feet.

The bill amends Section 623.076, Transportation Code, to require an applicant for the proposed annual permit to submit a \$960 permit fee. It requires \$480 of the permit fee to be deposited to the general revenue fund; 90 percent of the remainder (\$432) to be deposited in the state highway fund, and the remaining 10 percent (\$48) to be deposited to the credit of DMV.

The Legislative Budget Board Bill Analysis notes that electric utilities throughout Texas regularly haul electric power poles for the routine maintenance of transmission and distribution lines as well as to repair damage to those lines after storms. These vehicles and their loads often require special permits because of their combined length and height. Currently, the DMV requires haulers to purchase "over-length" permits that are good for 30, 60 or 90 days. Utility companies note that many utilities purchase the 90-day permit up to four times a year and contend that this is an inefficient way of administering those permits. The parties believe an annual permit, created by SB 562, will make permitting these vehicles much more efficient for all involved.

Impact on TxDOT

While no immediate direct impact to TxDOT is anticipated, TxDOT will monitor the implementation of this bill and work closely with DMV and all relevant stakeholders, as is the standard process for all OS/OW vehicle issues.

Effective Date: May 15, 2015

SB 971

Requirements for certain farm vehicles operating on a highway

Author: Senator Charles Perry

Sponsor: Representative Kyle Kacal

Bill Summary

SB 971 provides an exemption from vehicle width limits for certain farm equipment that deliver and spread fertilizer and livestock feed. The vehicles would be subject to the restrictions set out in Section 622.901, Transportation Code.

Impact on TxDOT

While no immediate direct impact to TxDOT is anticipated, TxDOT will monitor the implementation of this bill and work closely with DMV and all relevant stakeholders, as is the standard process for all OS/OW vehicle issues.

Effective Date: September 1, 2015

SB 1059

Issuance of certain permits for the movement of oversize or overweight vehicles

Author: Senator Juan "Chuy" Hinojosa

Sponsor: Representative Abel Herrero

Bill Summary

SB 1059 revises provisions governing the optional procedure for the issuance of oversize/overweight (OS/OW) vehicle permits by the Port of Corpus Christi (authority) for vehicles using certain roadways in San Patricio and Nueces Counties.

The bill eliminates statutory references to a "special freight corridor," which has never been built, to eliminate a legal obstacle that currently prevents the implementation of current law.

The bill adds portions of US Highway 181, SH 35, SH 361, proposed SH 200 and other routes in San Patricio and Nueces counties designated by the Texas Transportation Commission (commission) in consultation with the Port of Corpus Christi Authority.

Impact on TxDOT

The commission will be required to amend TxDOT's administrative rules governing operation of the authority's corridor and revise the contracts with the authority. TxDOT anticipates that the cost of increased pavement and bridge consumption on the state highways involved would be offset by the state's share of permit revenue collected by the authority and submitted to TxDOT required by current law.

Effective Date: May 28, 2015

SB 1171

Operation of certain oversize or overweight vehicles transporting forestry products or equipment on public roadways

Author: Senator Robert Nichols

Sponsor: Representative Chris Paddie

Bill Summary

SB 1171 authorizes the operation of certain over-width vehicles transporting forestry equipment on state highways and county roads and clarifies that forestry vehicles operating with Oversize/Overweight (OS/OW) permits can use load-zoned roads designated by the Texas Transportation Commission (commission) and county commissioners courts. It also reduces the OS/OW permit fee for forestry vehicles to \$900 from \$1,500.

The bill authorizes the operation of certain forestry vehicles with OS/OW permits on load-zoned state highways designated by the commission. The bill authorizes the operation of certain forestry vehicles with OS/OW permits on load-zoned county roads designated by county commissioners courts.

The bill authorizes a vehicle transporting equipment used to harvest and produce timber, other than a tractor, implement or equipment being transported from one dealer to another, to travel on state highways or up to 50 miles on an interstate highway to deliver the equipment to a new owner; to a mechanic for maintenance or repair; or in the course of an agricultural forestry operation.

Impact on TxDOT

The bill adds the timber permit to the list of permits that can be operated over roads in which TxDOT or the local commissioners court has set a weight restriction. Most oversize permits have this provision and with the inspection and maintenance responsibilities under the timber permit, there is a mechanism for repair if the vehicle causes damage. It is unclear if the Department of Motor Vehicles (DMV) has issued any of these permits or if the districts have conducted any of the inspections required for these permits.

While no immediate direct impact to TxDOT is anticipated, as is the standard process for all Oversize Overweight vehicle issues, TxDOT will monitor the implementation of this bill and work closely with DMV and all stakeholders as needed.

Effective Date: June 19, 2015

SB 1338

Exemption from length limitations of certain vehicles or combinations of vehicles used to transport harvest machines

Author: Senator Charles Perry

Sponsor: Representative Drew Springer

Bill Summary

SB 1338 modifies current law which governs length exceptions for vehicles that transport certain agricultural equipment. It replaces the term "combine" with "harvest machine."

The new length exceptions apply to truck-tractors operated in combination with a semi-trailer and trailer or semitrailer and semitrailer if combinations used to transport certain harvest machines and the overall length of the combination, excluding the length of the truck tractor, is less than 81-1/2 feet. It will limit the operation of the longer vehicles to highways that are not part of the national system of Interstate or defense highways or the federal aid primary highway system.

The new law limits the operation of the longer vehicles to certain roadways located in counties with a population of less than 300,000.

Impact on TxDOT

While there will be no immediate direct impact to TxDOT, as is the standard process for all Oversize Overweight vehicle issues, TxDOT will monitor the implementation of this bill and work closely with the Department of Motor Vehicles and all stakeholders as needed.

Effective Date: June 18, 2015

Local Transportation Issues



HB 1394

Composition, governance and authority of certain regional tollway authorities

Author: Representative DeWayne Burns

Sponsor: Senator Brian Birdwell

Bill Summary

HB 1394 requires a county that is not part of a regional tollway authority (i.e. North Texas Tollway Authority) to become part of the authority (which authorizes the county to appoint a director to serve on the board of the authority) once the authority determines that at least 4 percent of the authority's recorded electronic toll collections occur on authority projects in the county, and the population of the county is at least 4 percent of the aggregate population of counties that are part of the authority. This provision replaces a provision in current law that a county shall appoint a director of the authority if there is an authority project of at least 10 miles in length in the county that has been open for at least 3 years.

Impact on TxDOT

No direct impact on TxDOT is anticipated.

Effective Date: September 1, 2015

HB 1422

Restoration of expired eminent domain authority of rural transportation rail districts

Author: Representative Jose Lozano

Sponsor: Senator Judith Zaffirini

Bill Summary

In 2011 the Legislature established the eminent domain

verification process. Pursuant to this process, an entity authorized by the state to exercise the power of eminent domain was required to submit a letter to the Comptroller of Public Accounts by December 31, 2012, declaring that the entity was authorized to exercise the power of eminent domain and identifying each provision of law that granted that authority to the entity. If an entity did not submit the letter by the deadline, its eminent domain authority expired September 1, 2013. The San Patricio County Rural Rail Transportation District did not receive notice of this verification mandate and therefore was unable to submit the requisite letter before the deadline. As a result, the district's eminent domain authority expired in 2013.

HB 1422 restores the power of eminent domain to the San Patricio County Rural Rail District. The bill provides that, notwithstanding the previous expiration of the district's power of eminent domain, the district may exercise that power under Section 172.157, Transportation Code, on and after September 1, 2015.

Impact on TxDOT

No direct impact on TxDOT is anticipated.

Effective Date: September 1, 2015

HB 1833

Agreements of certain counties to acquire, construct, maintain or operate a toll bridge

Author: Representative Joe Pickett

Sponsor: Senator Jose Rodriguez

Bill Summary

HB 1833 repeals Section 364.004(c), Transportation Code, which prohibits counties along the Texas-Mexico border with a population of more than 675,000 (i.e., El Paso and Hidalgo Counties) from entering into and making payments under an agreement with a private entity or another governmental entity to acquire, construct, maintain or operate a toll bridge.

Impact on TxDOT

No direct impact on TxDOT is anticipated.

Effective Date: June 10, 2015

HB 2521

Transferring, from the state to a county, revenue derived from oil and gas leases of land owned by the county to be used for road maintenance purposes

Author: Representative Garnet Coleman

Sponsor: Senator Carlos Uresti

Bill Summary

HB 2521 requires that any payment received from leases of the state's oil and natural gas mineral interests from land under county roads be deposited to the credit of the newly created county road oil and gas fund. The bill requires future payments from leases entered into on or after September 1, 2017 to be paid directly to the counties for deposit to their county road and bridge funds. Counties are not allowed to pursue remedies nor assert a right granted by those leases.

The county road oil and gas fund will be a state trust fund outside the state treasury held and administered by the Comptroller of Public Accounts (Comptroller) as trustee. The General Land Office will be required to deposit lease payments to the fund. The Comptroller will disburse money in the fund at least twice each fiscal year, without appropriation, to the appropriate county for deposit to the county's road and bridge fund. Money deposited to the county road oil and gas fund will be used only for road maintenance purposes. The fiscal impact is estimated to an additional \$3 to 5 million a year for Texas counties.

Impact on TxDOT

No direct impact on TxDOT is anticipated.

Effective Date: September 1, 2017

HB 2549

Authority and operation of regional tollway authorities

Author: Representative Yvonne Davis

Sponsor: Senator Kelly Hancock

Bill Summary

HB 2549 makes several changes to current law intended to facilitate toll collection and enforcement, and provides North Texas Tollway Authority (NTTA) the same enforcement powers for toll projects operating under tolling services agreements (TSAs) that NTTA has for its own projects. This includes being able to exercise the same habitual violator remedies under Subchapter C, Chapter 372, Transportation Code.

Currently, only the governing body of a toll project entity may, by order of the governing body, prohibit the operation of a motor vehicle on the toll project of the toll project entity. For TxDOT projects operated by NTTA under a TSA, NTTA currently cannot issue an order prohibiting operation on the project.

HB 2549 authorizes the NTTA board to do so. NTTA could not stop, detain, or impound a vehicle on a TSA project unless the TSA addresses that action.

HB 2549 also adjusts the periods to pay invoices to allow for true monthly billing, and authorizes paperless, electronic-only billing of NTTA customers. The bill includes what NTTA refers to as Justice of the Peace judicial discretion fix, permitting, rather than requiring, a court to collect and forward to NTTA unpaid tolls and fees as determined by the court after a hearing or by written agreement of the registered owner of the vehicle.

HB 2549 aligns the due date for an annual report on the NTTA's activities filed with the commissioners court of each county of the NTTA with the availability of audited financials.

Impact on TxDOT

HB 2549 has minimal impact to TxDOT. However, the bill will assist in facilitating NTTA's operation of TxDOT toll projects under TSAs and make enforcement of habitual toll violators more consistent across the state. TxDOT will work with NTTA as necessary to implement this bill.

Effective Date: September 1, 2015

HB 3777

Establishment and governance of certain regional transportation authorities

Author: Representative Nicole Collier

Sponsor: Senator Kelly Hancock

Bill Summary

HB 3777 updates the population-based brackets of regional transportation authorities in Dallas and Tarrant Counties. The bill increases the membership of the sub-regional board that governs the Fort Worth Transportation Authority from nine members to 11 members. For the sub-regional board of a transportation authority that includes the entire county of the principal municipality, the bill will increase the number of board members appointed by the governing board of the principal municipality from four to five and the number of board members appointed by the commissioners court of the county that includes the principal municipality from four to five.

For the sub-regional board of a transportation authority that does not include the entire county of the principal municipality, the bill requires the commissioners court of the county that includes the principal municipality to appoint at least three members, rather than one member under current law.

The bill includes provisions that will address the disposition of certain real property and the determination of the total

financial obligation of the City of Richland Hills if the city holds an election and withdraws from the transportation authority. The bill increases the size of the interim sub-regional board from nine to 11 members and specifies the procedure for appointing members of the board.

Impact on TxDOT

There is no direct impact on TxDOT.

Effective Date: September 1, 2015

SB 57

Information collected by a regional tollway authority

Author: Senator Jane Nelson

Sponsor: Representative Ron Simmons

Bill Summary

SB 57 provides for the confidentiality of information collected by a regional tollway authority during the video billing process by stating that personal information of drivers collected is not subject to disclosure under the Public Information Act. The bill states that personal identifying information collected is confidential and not subject to disclosure including a person's name, address, e-mail address, phone number, account password, password, payment transaction activity, toll or charge record, or credit, debit or other payment card number and other personal financial information.

Currently, the law protects only the paying customers of toll roads from having their personal and financial information revealed through the Public Information Act. According to the House Research Organization, a September 2013 opinion by the Office of the Attorney General indicated that only the information related to the transponders used to pay tolls to a regional tollway authority is confidential.

Impact on TxDOT

There is no direct impact on TxDOT toll operations.

Effective Date: June 16, 2015

SB 678

Coordinated county transportation authorities

Author: Senator Jane Nelson

Sponsor: Representative Ron Simmons

Bill Summary

SB 678 limits liability for public passenger rail services provided under an agreement between the Denton County Transportation Authority (DCTA) and a railroad to provide passenger rail services through the use of the railroad's facilities, rail freight lines and rail right of way that meet

certain geographic criteria.

The bill limits the aggregate liability of DCTA and a railroad that enters into such an agreement to \$125 million for all claims for damages arising from a single incident involving the provision of passenger rail services under the agreement. The limitation will not affect the amount of damages that may be recovered under Subchapter D, Chapter 112, Transportation Code, the Federal Employers' Liability Act (45 USC Section 51 et seq.) or any immunity, limitation on damages, limitation on actions or other limitation of liability or protections applicable under other law to an authority or other provider of passenger rail services.

The bill also requires DCTA to obtain insurance coverage for the \$125 million aggregate liability with the railroad as a named insured. It provides that the limitation of liability would not apply to damages arising from the railroad's willful misconduct or gross negligence.

The bill amends Section 460.107(c), Transportation Code, to provide that, if a transportation authority, by exercising the power of eminent domain, makes any relocation necessary, relocation assistance shall be provided by the authority as provided by Section 21.046, Property Code.

The bill amends Section 460.406(c), Transportation Code, to clarify that DTCA's board of directors may authorize the negotiation of contracts without competitive sealed bids or proposals if the aggregate amount involved in the contract is less than the greater of \$50,000 or the amount of an expenditure under a contract that would require a municipality to comply with Section 252.021(a), Local Government Code.

Impact on TxDOT

There is no direct impact on TxDOT.

Note that, while SB 678 establishes (for this type of transportation authority) a \$125 million liability cap per accident, there is also a \$200 million cap in federal law, and the federal cap would likely preempt the state cap. Despite what state law says about a cap on liability, a railroad applicant could purchase insurance coverage of \$200 million, thereby satisfying a requirement for the application.

Effective Date: September 1, 2015

SB 679

Public meetings of joint airport boards

Author: Senator Jane Nelson

Sponsor: Representative Cindy Burkett

Bill Summary

SB 679 to enables the joint board that administers the Dallas-Fort Worth Airport to post meeting notices on electronic bulletin boards. It amends Section 551.001,

Government Code, to include a joint airport board in the definition of "governmental body."

The bill defines "electronic bulletin board" and requires joint airport boards to post meeting notices on a physical or electronic bulletin board at a place convenient to the public in the board's administrative offices.

Though most airports in Texas are owned and operated by municipalities, which already have this authorization, there are instances where two or more governmental entities have created a joint airport board, consisting of members appointed by the governing authority of each participating entity, to exercise on their behalf all the powers of each with respect to an airport, air navigation facility, or airport hazard area acting jointly. Absent any express grant of authority to such a joint airport board, the board will not fall under the applicability of that law, so legislation is needed to make state law relating to the electronic posting of meeting notices applicable to such an airport. S.B. 679 seeks to address this issue.

Impact on TxDOT

HB 2549 has minimal impact to TxDOT. However, the bill will assist in facilitating NTTA's operation of TxDOT toll projects under TSAs and make enforcement of habitual toll violators more consistent across the state. TxDOT will work with NTTA as necessary to implement this bill.

Effective Date: May 23, 2015

SB 797

[Grant program to reduce wait times for agricultural inspections of vehicles at ports of entry along the Texas-Mexico border](#)

Author: Senator Eddie Lucio Jr.

Sponsor: Representative Robert "Bobby" Guerra

Bill Summary

SB 797 authorizes the Texas Department of Agriculture (TDA) to use appropriated funds to make grants to certain nonprofit organizations to promote agricultural processing in Texas by reducing wait times for agricultural inspections at ports of entry along the Texas-Mexico border.

The bill requires non-profit organizations to provide matching funds in order to be eligible for a grant. It prohibits the amount of a grant from exceeding the amount of matching funds and prohibits TDA from requiring a non-profit organization to provide matching funds that exceed the amount of a grant or from awarding a grant until TDA certifies that the non-profit organization has the matching funds. It requires TDA to evaluate the program and submit a report that meets certain requirements to the Legislature.

Unless continued by the Legislature, Section 12.050, Agriculture Code, will expire September 1, 2017.

Impact on TxDOT

While there is no direct impact to TxDOT, efforts the flow of commerce along the Texas-Mexico border will help TxDOT achieve one of its core goals of addressing congestion and connecting Texas communities.

Effective Date: September 1, 2015

SB 1389

[Border Commerce Coordinator](#)

Author: Senator Eddie Lucio Jr.

Sponsor: Representative Eddie Lucio III

Bill Summary

SB 1389 adds new responsibilities to the Border Commerce Coordinator (coordinator) duties. The bill requires the coordinator to study the flow of commerce at ports of entry on the Texas-Mexico border, including the movement of commercial vehicles across the border, and establish a plan to aid that commerce and improve the movement of those vehicles. It requires the coordinator to identify problems associated with border truck inspections and related trade and transportation infrastructure and develop recommendations to address those problems.

The bill requires the coordinator work with appropriate federal and state agencies to develop initiatives to mitigate congestion at ports of entry on the border. It requires the coordinator to develop recommendations designed to increase trade by attracting new businesses; support expansion of new and existing industries; and address workforce training needs.

The bill requires the coordinator to work with the interagency work group established under Section 772.011, Government Code with local governments, metropolitan planning organizations and other appropriate community organizations along the Texas-Mexico border and with those entities' counterparts in Mexico, to address the unique planning and capacity needs of the border region. It requires the coordinator to submit, before January 1 of each year, a report to the Lt. Governor and Speaker describing the coordinator's activities during the previous year.

The bill requires the coordinator to work with private industry and appropriate state and federal entities in both the U.S. and Mexico to require the sale of low-sulfur fuel along highways carrying NAFTA traffic.

The bill requires the coordinator to appoint a task force, called the Texas Good Neighbor Committee, comprised of mayors from every municipality in Texas located along

the Texas-Mexico border that has an adjoining sister city in Mexico. It requires the task force to advise the coordinator on key trade, security and transportation-related issues important to the municipalities represented on the task force.

The bill also requires the task force to hold quarterly meetings with mayors from Mexico to increase cooperation, communication and the flow of information; to identify problems; and recommend solutions. It requires the task force to seek help and suggestions from private sector stakeholders involved in commerce to identify issues to address and to provide recommendations to the coordinator to help him or her in carrying out his or her duties.

Impact on TxDOT

While the bill is not anticipated to have a significant fiscal or operational impact on TxDOT, the coordinator also serves as the chair of the Border Trade Advisory Committee, which may be utilized to some extent to fulfill the new duties of the coordinator in the bill. Efforts to increase cooperation and coordination between Texas and Mexico for purposes of the flow of commerce along the Texas-Mexico border will help TxDOT achieve one of its core goals of addressing congestion and connecting Texas communities.

Effective Date: September 1, 2015

Aviation



SB 505

Painting and marking requirements for certain towers

Author: Senator Charles Perry

Sponsor: Representative Paul Workman

Bill Summary

SB 505 establishes painting and marking requirements for certain meteorological evaluation towers. It defines "meteorological evaluation tower" (MET) as a structure that is self-standing or supported by guy-wires, is no more than six feet in diameter at its base and mounts an antenna, sensor, camera, meteorological instrument or other equipment mounted for the purpose of determining whether a site has sufficient wind resources for the operation of a wind turbine generator. It excludes structures located adjacent to a building, including a barn, or an electric utility substation or those located in the yard of a house.

The bill requires METs taller than 50 feet but less than 200 feet above ground level to be painted in equal alternating bands of aviation orange and white, beginning with orange at the top of the tower. It requires towers to have aviation orange marker balls installed and displayed in accordance with certain federal standards and prohibit towers from being supported by guy-wires unless those wires have a seven foot-long safety sleeve at each anchor point that extends from the anchor point of each guy-wire.

The bill makes it a criminal offense for a person to own, operate or erect a meteorological evaluation tower that violates the provisions of Section 21.071, Transportation Code. An offense is a Class C misdemeanor unless it is shown at trial that the violation led to a collision with a meteorological evaluation tower that caused bodily injury or death, in which case the violation is a Class B misdemeanor.

The bill applies to meteorological evaluation towers erected before, on or after September 1, 2015, but such towers erected before that date will not have to comply with the painting and marking requirements until September 1, 2016.

Impact on TxDOT

The bill requires TxDOT to adopt rules by December 31, 2015 to implement and administer the new law. The rules must require persons who own, operate or erect a meteorological evaluation tower to notify TxDOT of the existence of or intent to erect a meteorological tower and to register the tower with TxDOT. TxDOT's Aviation Division will need to set up and maintain a registry system.

Effective Date: September 1, 2015

HB 1605

Elimination of fee charged for the Texas Airport Directory

Author: Representative Armando "Mando" Martinez

Sponsor: Senator Van Taylor

Bill Summary

HB 1605 prohibits TxDOT from charging a fee for the Texas Airport Directory which provides aeronautical information for the approximately 400 airports that are open for public use by pilots of general aviation aircraft. Under current law, TxDOT is required to charge "not less than \$5" for the directory. The bill also provides that TxDOT is not required to issue more than 110 percent of the number of directories it issued in the preceding state fiscal year.

Impact on TxDOT

TxDOT sells approximately 100 copies of the airport directory each year at a cost of \$6 each. It is estimated that eliminating the charge for the directory may increase demand for the directory and that, based on current and past demand, implementation of the bill will cost TxDOT between \$1,000 and \$1,500. TxDOT will now be allowed to post the Texas Airport Directory online and encourage more general aviation interest, knowledge, and safety by having a broader dissemination of the directory.

Effective Date: September 1, 2015

Human Resources



HB 9

Member contributions to the Employees Retirement System of Texas

Author: Representative Dan Flynn

Sponsor: Senator Joan Huffman

Bill Summary

HB 9 increases the required deduction by TxDOT from a member of the Employee Retirement System of Texas's (ERS) compensation each month for deposit into the member's ERS retirement account from 6.6 percent to 9.5 percent. The bill eliminates the 90 day waiting period for new employees to contribute towards their ERS retirement account as part of active membership.

Impact on TxDOT

TxDOT will be required to make updates to the payroll system and communications concerning ERS benefits contained in TxDOT manuals, websites, and employee presentations.

Effective Date: September 1, 2016

HB 426

Acceptance of employment applications through the online system for state employee openings maintained by the Texas Workforce Commission

Author: Representative Donna Howard

Sponsor: Senator Charles Schwertner

Bill Summary

HB 426 requires a state agency to accept job applications from the online system maintained by the Texas Workforce Commission (TWC). The bill also requires that the online system for listing state agency employment openings

maintained by TWC allow an applicant to complete a single state application online and enter the application into an online database from which the applicant is able to electronically send the application and additional required documents to multiple state agencies. The bill does not prohibit a state agency from accepting an application in a manner not prescribed by the bill. HB 426 requires the TWC to prescribe a standard electronic format for the online application and ensure that the online system allows an applicant to submit and a state agency to receive an application for state agency employment.

Impact on TxDOT

Currently, TxDOT participates with WorkInTexas.com in the posting of open positions. The bill will have a minimal fiscal impact on TxDOT, but Enterprise Resource Planning (ERP) system modifications will be required. The bill requires standardization between agencies so that one application is accepted by all. TxDOT will have to perform a fit/gap analysis to identify the new requirements and create an interface between WorkinTexas.com and ERP. This will involve programming costs and include the planning, development and testing of the required changes prior to implementation.

Effective Date: September 1, 2015

HB 437

Health benefit programs for certain state employees reemployed after military service

Author: Representative John Raney

Sponsor: Senator Donna Campbell

Bill Summary

HB 437 provides that state employee group benefits for an employee reemployed following military service begins on the first day of reemployment on which the employee performs services for the agency. Under current law state employee group benefits do not take effect until after 90 days of reemployment.

Impact on TxDOT

TxDOT will be required to re-enroll employees returning from military upon immediate reemployment. Operational and fiscal impacts will be minimal, as the Employees Retirement System of Texas is the agency responsible for establishing the system to identify the impacted employees. TxDOT will make updates to its communications concerning state employee group benefits contained in TxDOT manuals, websites and human resources presentations.

Effective Date: September 1, 2015

HB 445

Notice of the availability of paid leave for military service to public officers and employees

Author: Representative John Raney

Sponsor: Senator Eddie Lucio Jr.

Bill Summary

HB 445 requires a state agency to provide written notice of the number of workdays of paid leave to which an officer or employee who is a member of the Texas military forces, a reserve component of the armed forces or a member of a state or federally authorized urban search and rescue team (officer or employee) is entitled each fiscal year for the purpose of engaging in authorized training or duty ordered or authorized by proper authority and, if applicable, the number of workdays of paid leave to which an officer or employee is entitled to carry forward each fiscal year, that does not exceed 45 days, on employment, in the case of an employee or as soon as practicable after appointment or election, in the case of an officer.

HB 445 also requires a state agency to provide a statement to an officer or employee that contains the number of workdays the officer or employee claimed paid leave for the purpose of engaging in authorized training or duty ordered or authorized by proper authority and the net balance of unused accumulated leave that the officer or employee is entitled to carry forward to the next fiscal year and the net balance of all unused accumulated leave entitled to the officer or employee for the purpose of engaging in authorized training or duty ordered or authorized by proper authority. This statement is to be provided at the request of the officer or employee. The provisions of the bill pertain specifically to the 15 days provided for military training as a member of the Texas military forces, a reserve component of the armed forces or a member of a state or federally authorized urban search and rescue team.

Impact on TxDOT

TxDOT will be required to ensure that the Employee Resource Program is capable of handling such balance carry overs and if not, a work-around will need to be developed to handle this change. Other impacts will include developing a consistent communication tool to inform military personnel and making the usual updates to webpages, the Human Resource (HR) manual and the HR Policy guide.

Effective Date: September 1, 2015

HB 786

Right of a public employee to express breast milk in the workplace

Author: Representative Armando Walle

Sponsor: Senator Judith Zaffirini

Bill Summary

HB 786 amends allows an employee of a public employer to express breast milk at the employee's workplace. The bill requires a public employer to develop a written policy on the expression of breast milk by employees while at the workplace and requires that policy to support the practice of expressing breast milk and make reasonable accommodations for the needs of employees who express breast milk.

The bill requires a public employer to provide a reasonable amount of break time for an employee to express breast milk and to provide a place, other than a multiple user bathroom, that is shielded from view and free from intrusion from other employees and the public where the employee can express breast milk. Under federal law, the place provided by the employer cannot be a bathroom of any kind. The bill prohibits a public employer from suspending, terminating, or otherwise discriminating against an employee because the employee has asserted the employee's right under the provisions of the bill. The bill provides that this added chapter does not create a private or state cause of action against a public employer.

Impact on TxDOT

TxDOT is already required to allow employees to express breast milk at the employee's workplace under the Federal Fair Labor Standards Act for up to the first year after the child's birth. TxDOT will adopt written policies on the expression of breast milk by employees. TxDOT will need to make an assessment of all 355 primary work locations to assess the need to modify facilities to be in compliance with the provisions of the bill. As necessary, TxDOT will add designated lactation rooms to additional TxDOT facilities.

Effective Date: September 1, 2015

HB 910

Authority of a person who is licensed to carry a handgun to openly carry a holstered handgun

Author: Representative Larry Phillips

Sponsor: Senator Craig Estes

Bill Summary

HB 910 changes current law pertaining to the licensed open carry of a handgun in a holster. The bill does not prevent or otherwise limit the right of a public or private employer to prohibit persons who are licensed from carrying a handgun

on the premises of the business. The bill does not impact current law, which provides that an employer cannot prohibit their employees who otherwise lawfully possess a firearm or ammunition from transporting or storing a firearm or ammunition the employee is authorized by law to possess in a locked, privately owned motor vehicle in a parking lot, parking garage or other parking area the employer provides for employees.

Impact on TxDOT

TxDOT currently allows concealed handgun license holders to bring concealed handguns to the workplace. TxDOT will review its current policies to determine if TxDOT will allow employees with the proper licensing to openly carry handguns in the workplace. If TxDOT changes policy to allow employees with the proper licensing to openly carry handguns in the workplace, TxDOT will update policy and procedures manuals. TxDOT will also need to look at updating any signage in any of TxDOT facilities regarding concealed handguns.

Effective Date: January 1, 2016

HB 966

Creation of an optional consumer-directed health plan for certain individuals

Author: Representative Myra Crownover

Sponsor: Senator Kelly Hancock

Bill Summary

HB 966 establishes a state consumer-directed health plan for the benefit of individuals eligible to participate in the group benefits program and those individuals' eligible dependents. HB 966 sets forth provisions pertaining to the Board of Trustees of the Employees Retirement System of Texas (board of trustees) and their duties, responsibilities and authorizations in establishing and managing a consumer-directed health plan.

HB 966 authorizes each individual eligible to participate in basic coverage to choose instead to participate in the state consumer-directed health plan if the plan enrollee is an eligible individual. The bill authorizes the dependents of a plan enrollee to participate in the state consumer-directed health plan. The bill provides that participation in the state consumer-directed health plan qualifies a plan enrollee to receive a contribution to a health savings account and that an individual who elects not to participate in the plan is not eligible to receive a contribution. The bill establishes provisions pertaining to a plan enrollee's dependents participation in the consumer-directed health plan and the payments required for a dependent's participation.

HB 966 requires the state for each plan enrollee and dependent, from the state contribution that would otherwise

be made for basic coverage, to contribute annually to a high deductible health plan the amount that is necessary to pay the cost of coverage and percentage of cost of coverage for dependents and that does not exceed the amount the state annually contributes for a full-time or part-time employee who receives basic coverage. The bill requires each plan enrollee to contribute any amount required to cover the selected participation in the high deductible health plan that exceeds the state contribution amount and authorizes a plan enrollee to contribute any amount allowed under federal law to the enrollee's health savings account in addition to the state contribution. The bill prohibits a plan enrollee from participating in any flexible spending account that would disqualify the enrollee's health savings account from favorable tax treatment under federal law.

HB 966 provides that a state contribution to a health savings account or a high deductible health plan is exempt from execution and is unassignable in the same manner and to the same extent as an amount described in the Insurance Code for exemptions from execution. HB 966 prohibits the board of trustees, in implementing and administering the state consumer-directed health plan, from dividing the self-funded risk pool of the group benefits program provided by the new law or creating a separate self-funded risk pool for that program.

Impact on TxDOT

TxDOT will look for guidance from Employees Retirement System on communication to employees. TxDOT will need to ensure that communication takes place with eligible employees and update the appropriate brochures and other human resources manuals and presentations to provide information to employees about the consumer-directed health plan.

Effective Date: September 1, 2015

HB 1771

Donation of sick leave by state employees

Author: Representative John Raney

Sponsor: Senator Lois Kolkhorst

Bill Summary

HB 1771 allows an employee of an agency to donate sick leave to another employee of the same agency who has exhausted their sick leave, including any leave they may be eligible to withdraw from a sick leave pool. The bill prohibits an employee from providing or receiving compensation or a gift for a sick leave donation. The bill prohibits an employee who receives donated sick leave from receiving service credit in the Employee Retirement System of Texas for any sick leave donated that is unused on the day of that employee's retirement.

Impact on TxDOT

TxDOT will make the appropriate changes to the Human Resources Policy Manual and related regulations and procedures. TxDOT will also make changes in Employee Resource Program to track the leave donations.

Effective Date: September 1, 2015

HB 3307

Authority of the Employees Retirement System of Texas to make available a military supplemental health plan

Author: Representative Rick Miller

Sponsor: Senator Juan “Chuy” Hinojosa

Bill Summary

HB 3307 requires the Employees Retirement System of Texas Board of Trustees (board) to make the TRICARE Military Health System Supplemental plan available to an employee or annuitant who waives coverage under the basic coverage plan and is eligible for benefits under the TRICARE Military Health system. The bill prohibits the board from contributing to the cost of the supplemental plan, including the premium cost.

Impact on TxDOT

TxDOT will be required to communicate the changes to new and current employees through TxDOT manuals, presentations, homepages, websites and New Employee Orientation information.

Effective Date: June 17, 2015

HB 3337

Training and education for state agency administrators and employees

Author: Representative Travis Clardy

Sponsor: Senator Jane Nelson

Bill Summary

HB 3337 authorizes a state agency to, except as provided by the bill or other law, spend public funds as appropriate to pay the salary, tuition and other fees, travel and living expenses, training stipend, expense of training materials, and other necessary expenses of an instructor, student, or other participant in a training or education program. The bill requires that for an administrator or employee of a state agency who seeks reimbursement for a training or education program offered by an institution of higher education or a private or independent institution of higher education, the agency is authorized only to pay the tuition expenses for a program course successfully completed by the administrator

or employee at an accredited institution of higher education.

HB 3337 requires a state agency to adopt rules requiring that, before an administrator or employee of the agency is allowed to be reimbursed, the executive head of the agency must authorize the tuition reimbursement payment.

HB 3337 also requires a policy governing the training of employees to provide clear and objective guidelines to govern tuition reimbursement for an administrator or employee of a state agency who is enrolled in training for which the administrator or employee seeks reimbursement from this state and address tuition reimbursement for nontraditional training, including online courses or courses not credited towards a degree. The bill requires a state agency to post the policy adopted under this bill on the employment section of the agency’s website.

Impact on TxDOT

TxDOT is in the process of revamping the Tuition Assistance Program (TAP) from a full assistance program to a program that will be a combination of assistance and reimbursement of tuition only. Participants will be responsible for all other expenses such as fees, books and supplies. As TxDOT’s Human Resources Division rolls out the new program, TxDOT will ensure the requirements of this bill are included.

HB 3337 requires TxDOT to amend its existing TAP rules to require that the executive director authorize any reimbursement of expenses for a training or education program offered by an institution of higher education. HB 3337 requires TxDOT to have a policy that specifically addresses tuition reimbursement for nontraditional training, including online courses or courses not credited towards a degree. HB 3337 further requires TxDOT to post its policy regarding tuition reimbursement on the employment section of TxDOT’s website.

Other impacts will include communicating program changes, updating policies, manuals, webpages, pamphlets and other related documents to TxDOT personnel.

Effective Date: September 1, 2015

SB 273

Certain offenses for carrying concealed handguns on property owned or leased by a governmental entity

Author: Senator Donna Campbell

Sponsor: Representative Ryan Guillen

Bill Summary

SB 273 prohibits a state agency or a political subdivision of the state (subdivision) from providing notice (signage) that a concealed handgun license holder, carrying a handgun, is prohibited from entering or remaining on a premises or other

place owned or leased by the governmental entity unless license holders are specifically prohibited from carrying a handgun on the premises or other place as set forth in the Penal Code under provisions established defining "Places Weapons are Prohibited" and for the "Unlawful Carrying of Handgun by License Holder."

SB 273 provides that a state agency or a political subdivision of the state that violates the above provision is liable for a civil penalty of \$1,000 to \$1,500 for a first violation and \$10,000 to \$10,500 for a second violation. Each day a violation of the provisions of the bill occurs constitutes a separate violation. The bill also sets forth provisions for the filing of a complaint by a citizen or person licensed to carry a concealed handgun and procedures for the Texas Attorney General pertaining to the investigation and remediation of complaint/suit arising from the filing of a complaint.

SB 273 amends the Penal Code providing that a concealed handgun license holder commits an offense if the holder intentionally, knowingly or recklessly carries a handgun in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting and notice was provided that the meeting was an open meeting.

Impact on TxDOT

TxDOT Support Services Division will ensure that there is no signage posted at any TxDOT facilities that prohibit concealed handguns. If signage is posted prohibiting concealed handguns it must be immediately removed. A review should be done on a regular basis to ensure that no signage is reposted. Additionally, TxDOT must ensure that notice prohibiting concealed handguns at an open meeting is provided in accordance with Chapter 551, Government Code. Applicable procedure manuals will also be updated.

Effective Date: September 1, 2015

SB 374

Requiring state agencies to participate in E-Verify

Author: Senator Charles Schwertner

Sponsor: Representative Tony Dale

Bill Summary

SB 374 requires state agencies to register and participate in the E-Verify program, operated by the United States Department of Homeland Security, to verify information of all new employees. The bill requires the Texas Workforce Commission (TWC) to adopt rules and prescribe forms to implement the provisions of the bill.

Impact on TxDOT

TxDOT Human Resources Division is currently complying with the usage of E-Verify as the result of an executive order

issued by former Governor Perry. SB 374 will place the current policy established under executive order for E-Verify employment confirmation into law. Operational and fiscal impact to TxDOT will be minimal. TxDOT will need to monitor the TWC rulemaking process and as rules are adopted, make any changes necessary to comply with the adopted rules.

Effective Date: September 1, 2015

SB 389

Placement of military occupational specialty codes on certain state agency employment opening notices

Author: Senator Jose Rodriguez

Sponsor: Representative Cesar Blanco

Bill Summary

SB 389 requires that each biennium, the classification officer of the State Auditor's Office (classification officer) to research and identify the military occupational specialty code for each branch of the armed forces of the United States (armed forces) that corresponds to each position contained in the state's position classification plan and to report the findings to the governor's budget office and the Legislative Budget Board not later than October 1 preceding each regular session of the Legislature.

SB 389 requires state agencies to include on a job opening notices the military occupational specialty code for each branch of the armed forces, identified by the classification officer, which corresponds to the employment opening if the duties of the available position correlate with a military occupational specialty. The bill also requires any Texas Workforce Commission form used by state agencies to include a space for a state agency to list a military occupational specialty code.

Impact on TxDOT

TxDOT will make the necessary changes needed to Enterprise Resource Planning system, to assign the appropriate codes to each relevant job classification. TxDOT will also need to communicate the required information to job seekers and relevant Human Resources staff that review and/or post positions.

Effective Date: September 1, 2015

SB 805

Employment of individuals qualified for a veteran's employment preference

Author: Senator Donna Campbell

Sponsor: Representative John Raney

Bill Summary

SB 805 makes changes to existing law pertaining to individuals qualified for a veteran's employment preference (preference). The bill clarifies language in existing law by changing the applicability from "public entities" to "state agencies." The bill states that the following individuals qualify for a preference:

- a veteran, including a veteran with a disability;
- a veteran's surviving spouse who has not remarried; and
- an orphan of a veteran if the veteran was killed on active duty.

SB 805 removes the requirements that, to be eligible for a preference, a veteran has served for 90 days during a national emergency or has been discharged for a service-connected disability and be competent.

SB 805 alters existing statute requiring a state agency to provide to an individual entitled to a preference an employment preference in the following order of priority:

- a veteran with a disability;
- a veteran;
- a veteran's surviving spouse who has not remarried;
- an orphan of a veteran if the veteran was killed while on active duty.

SB 805 makes changes to existing statute pertaining to the "veteran employment goal for state agencies." The bill requires each state agency to establish a goal for hiring veterans to comprise at least 20 percent of the total numbers of employees in full time positions. The bill also permits a state agency to establish a veteran employment goal that is greater than at least 20 percent.

SB 805 authorizes a state agency to designate an open position as a "veteran's" position and only accept applications for that position from individuals entitled to a preference. The bill also authorizes a state agency, notwithstanding any other law, to hire or appoint an individual entitled to a preference without announcing or advertising the position if the agency uses the Texas Workforce Commission's automated labor exchange system to identify an individual who qualifies for a preference and determines the individual meets the qualifications required for the position.

SB 805 requires each state agency with at least 500 full time equivalent positions to designate an individual from the agency to serve as a veteran's liaison. The bill authorizes

a state agency with fewer than 500 full time equivalent positions to designate an individual from the agency to serve as a veteran's liaison. The bill requires each state agency that designates a veteran's liaison to publish on its website the work contact information of the veteran's liaison.

SB 805 requires a state agency to interview, for announced open positions, at least one individual qualified for a preference if the total number of individuals interviewed for the position is six or fewer. If the total number of individuals interviewed is above six, at least 20 percent of those interviewed must be qualified for a preference.

SB 805 removes the requirement that an agency must hire an applicant who qualifies for the preference if he or she is of good moral character and can perform the duties of the position. SB 805 amends statute providing an individual entitled to a preference in hiring is also entitled to a preference during a state agency reduction in force.

SB 805 amends statute requiring a state agency to file a quarterly report with the Comptroller of Public Accounts (Comptroller) that states the total percent of employees not only hired, but also appointed by the agency during the reporting period, that are entitled to a preference, the percentage of the total number of employees entitled to a preference, the number of complaints filed with the executive director, rather than the governing body of the agency, and the number of those complaints solved by the executive director during that quarter. The bill requires the Comptroller to make each quarterly report available to the public on its website. The bill amends code to require the executive director, rather than the governing body of an agency, to respond to a complaint under the provisions of the bill.

SB 805 provides that a state agency that does not receive any applications from individuals who qualify for a veteran's employment preference is not required to comply with the provisions of the bill. The bill requires the Comptroller to file a report with the Legislature that compiles and analyzes the information the Comptroller receives from state agencies by December 1 of each year.

Department of Homeland Security, to verify information of all new employees. The bill requires the Texas Workforce Commission (TWC) to adopt rules and prescribe forms to implement the provisions of the bill.

Impact on TxDOT

SB 805 will minimally impact TxDOT hiring practices to ensure that the veteran preference guidelines and goals are met. TxDOT will be required to designate an individual from the agency to serve as a veteran's liaison. Policies and procedures will need to be revised, and training for hiring managers will be needed. TxDOT currently has a veteran's preference policy, but that policy will need to be revisited for compliance with new requirements.

Effective Date: September 1, 2015

Information Technology



HB 855

Compatibility of state agency websites with certain Internet browsers

Author: Representative Scott Sanford

Sponsor: Senator Van Taylor

Bill Summary

HB 855 requires the Department of Information Resources (DIR) to identify the three most commonly used internet browsers and post a list containing those browsers in a location on DIR's internet website and to review and update the list on a biennial basis. The bill requires each state agency to ensure their website is compatible with a wireless communication device and the most recent version of each internet browser listed by DIR.

Impact on TxDOT

Web browser compatibility: TxDOT website is currently designed to support the four most commonly used internet browsers: Internet Explorer; Google Chrome; FireFox; and Safari. TxDOT has updated its website to be compatible with the current versions of these internet browsers and one prior version of each of their software. HB 855 may have a large impact to TxDOT, if DIR requires all website applications contained within the webpages to also be compatible with the three most common web browsers.

Mobile compatibility: Currently, approximately 20 percent of the txdot.gov site is mobile compatible. The remaining pages and links will have to be analyzed to assess the compatibility of txdot.gov with wireless communication devices.

Effective Date: September 1, 2015

SB 34

Report evaluating information security for the state's information resources

Author: Senator Judith Zaffirini

Sponsor: Representative Larry Gonzales

Bill Summary

SB 34 requires the Department of Information Resources (DIR) to submit a written report to the governor, the lieutenant governor and the Legislature evaluating information security for the state's information resources no later than January 13 of each odd numbered year. The bill requires DIR to consider information security plans submitted by state agencies, any vulnerability reports and other available information regarding the security of the state's information resources in preparing the report.

Impact on TxDOT

Under current law, TxDOT is already required to produce this report for DIR. TxDOT's Information Technology Division will make necessary internal operational changes to produce the original report in an ongoing and consistent manner. The bill will have minimal operational impact.

Effective Date: September 1, 2015

SB 1877

Development and maintenance by each agency of a data use agreement for state agency employees

Author: Senator Judith Zaffirini

Sponsor: Representative Rick Galindo

Bill Summary

SB 1877 requires each state agency to develop a data use agreement for use by the agency that meets the particular needs of the agency and is consistent with rules adopted by the Department of Information Resources that relates to information security standards for state agencies and requires a state agency to update the data use agreement at least biannually. The bill authorizes an agency to update the agreement at any time as necessary to accommodate best practices in data management.

SB 1877 requires a state agency to distribute the data use agreement and each update to the agreement to the employees of the agency who handle sensitive information, including financial, medical, personnel, or student data. The bill requires employees to sign the data use agreement distributed and each update to the agreement. The bill

requires an agency, to the extent possible, to provide employees with cybersecurity awareness training to coincide with the distribution of the data use agreement and its updates.

Impact on TxDOT

TxDOT currently has a policy in place that includes a data use agreement signed by each new employee as part of the new hire process. TxDOT will need to modify its processes to obtain employee signatures for yearly updates.

Effective Date: September 1, 2015

Facilities and State Property



HB 735

Collection of information about alternatively fueled vehicles registered in Texas

Author: Representative Celia Israel

Sponsor: Senator Rodney Ellis

Bill Summary

HB 735 requires the Department of Motor Vehicles (DMV) to establish by rule, a program to collect information on the number of alternatively fueled vehicles registered in the state. The bill requires the DMV to submit an annual report to the Legislature that includes the information collected and the report must show the number of vehicles in the state that use electric plug-in devices, hybrid electric drives, compressed natural gas drives and liquefied natural gas drives.

Impact on TxDOT

Under current law, TxDOT vehicles have exempt registration status and TxDOT will work with the DMV to clarify whether this bill applies to exempt vehicles. If reporting by TxDOT is required by the DMV, TxDOT's Fleet Operations Division will provide the information about TxDOT vehicles through the Fleet Navigator fleet management system.

Effective Date: September 1, 2016

HB 2475

Establishment of the center for alternative finance and procurement within the Texas Facilities Commission and to public and private partnerships

Author: Representative Walter T. "Four" Price

Sponsor: Senator Jane Nelson

Bill Summary

In 2011, the Public and Private Facilities and Infrastructure Act (Act) was enacted into law to allow the Texas Facilities Commission (TFC) to organize and participate in public-private partnerships (P3s). Under P3s, public entities enter into agreements with private entities to deliver projects and services in a more timely and cost-effective manner than what could be provided by the public sector.

HB 2475 amends the Act and requires the TFC to establish the center for alternative finance and procurement to consult with governmental entities regarding public private partnerships. The center will provide consultation on best practices for procurement and financing of qualifying projects and will assist governmental entities in the receipt of proposals, negotiation of interim and comprehensive agreements, and management of qualified projects. TFC is required to adopt rules necessary to establish the center as soon as practicable. The center for alternative finance and procurement will provide, on a cost recovery basis, professional services of financial, technical, and other advisors as necessary to support the Partnership Advisory Commission in its review and evaluation of proposals for qualifying public-private facilities and infrastructure projects.

Impact on TxDOT

To date, TxDOT has not utilized the authority of the Act to deliver any projects or services for which TxDOT is authorized to deliver or perform. TxDOT has separate limited statutory authority for the delivery of certain highway construction projects which TxDOT utilizes regarding the use of P3s for the delivery certain highway construction projects.

There will be no immediate impact to TxDOT. TxDOT will need to monitor the implementation of HB 2475 by the TFC, and if TxDOT chooses to utilize the authority granted by the Act, TxDOT will adopt the necessary rules and policies in compliance with the law and any rules adopted by TFC.

Effective Date: September 1, 2015

HB 3438

Transfer of surplus or salvage state agency property

Author: Representative Debbie Riddle

Sponsor: Senator Judith Zaffirini

Bill Summary

HB 3438 requires a state agency that determines it has surplus or salvage property to inform the Texas Facilities Commission (TFC) of the property's kind, number, location, condition, original cost or value and date of acquisition. The

bill provides that after a state agency informs TFC that it has surplus or salvage property, TFC is required to advertise the property's kind, number, location and condition on TFC's website. The bill requires TFC to inform other state agencies, political subdivisions and assistance organizations of its website that lists surplus property that is available for transfer.

The bill provides that during the 10 business days after the date the property is posted on TFC's website, a state agency, political subdivision or assistance organization is required to coordinate with TFC for a transfer of the property at a price it establishes. The bill requires TFC to remove the property from the list of surplus property for sale on its website on the date that the property is transferred. The bill authorizes TFC by rule to establish a procedure that allows a participating state agency to receive a return on small value items through the transfer of similar items.

Impact on TxDOT

This legislation makes minor changes to the procedures for transferring surplus property to other entities. It also provides for the TFC to develop a process by which a state agency may trade its surplus "small value items" for similar items. The bill essentially moves the required 10 day advertisement responsibility from Comptroller of Public Accounts to the TFC. The surplus property that HB 3438 refers to is surplus personal property and not surplus real property (real estate).

Once TFC adopts a process for TxDOT to inform TFC it has surplus or salvage property, TxDOT will change its processes accordingly to conform to TFC requirements. The bill should have minimal impact on TxDOT's current processes for disposing of surplus property.

Effective Date: September 1, 2015

HB 3439

Donation of property from a state agency to an assistance organization or a local governmental entity

Author: Representative Debbie Riddle

Sponsor: Senator Judith Zaffirini

Bill Summary

HB 3439 authorizes TxDOT to donate surplus property to a local government even if the property could otherwise be sold, if TxDOT can demonstrate that donating the property would benefit the state. The bill states that a state agency may only donate surplus or salvage property that could be resold if the agency notifies the Texas Facilities Commission (TFC) and provides sufficient information for the TFC to be able to confirm the benefit to the state. The bill authorizes the TFC to charge the assistance organization or local governmental entity that receives the donation an amount

sufficient to cover the costs associated with the donation that does not exceed 10 percent of the item's market value. The bill provides that a state agency that donates property under this provision is responsible for notifying the Comptroller of Public Accounts of the donation and any benefit received that must be reported.

Impact on TxDOT

TxDOT currently donates most of its miscellaneous surplus to assistance organizations, so HB 3439 will have minimal impact on current operations. However, TxDOT will ensure that the proper policies and standard operating procedures are in place for the donations of surplus property to a local government when such donations are appropriate.

Effective Date: September 1, 2015

HB 3750

Interim studies on real property owned by the state

Author: Representative Ron Simmons

Sponsor: Senator Brian Birdwell

Bill Summary

HB 3750 requires the State Office of Risk Management (SORM) to conduct an interim study on insurable state assets to verify that all property owned by the state is adequately insured. The Legislative Budget Board (LBB) shall assist in collecting information on buildings and facilities owned by state agencies. This information required includes the locations of buildings, square footage, construction or acquisition date, amount of space being used, and the value of the building. Also, the LBB will collect info on state-owned land, including the name of the agency which owns land, location, acreage, value, etc. The LBB will report the required information to SORM by a date prescribed by SORM.

The bill also establishes Senate and House Select Committees on State Real Property to study the benefits of maintaining a comprehensive database of all real property owned by the state; the potential loss the state that could result from state owning uninsured and underinsured property; the benefit and burden for state agencies to submit information on the property they own; which state agency should collect property information; how often SORM should report property information to the Legislature; and other ways the state can identify and maintain a property database. Lastly, the committees shall conduct an independent appraisal of the Capitol Complex.

Impact on TxDOT

TxDOT will need to provide the required information to the LBB, which will report it to SORM. TxDOT will need to ascertain whether such information must include right of way.

Effective Date: June 19, 2015

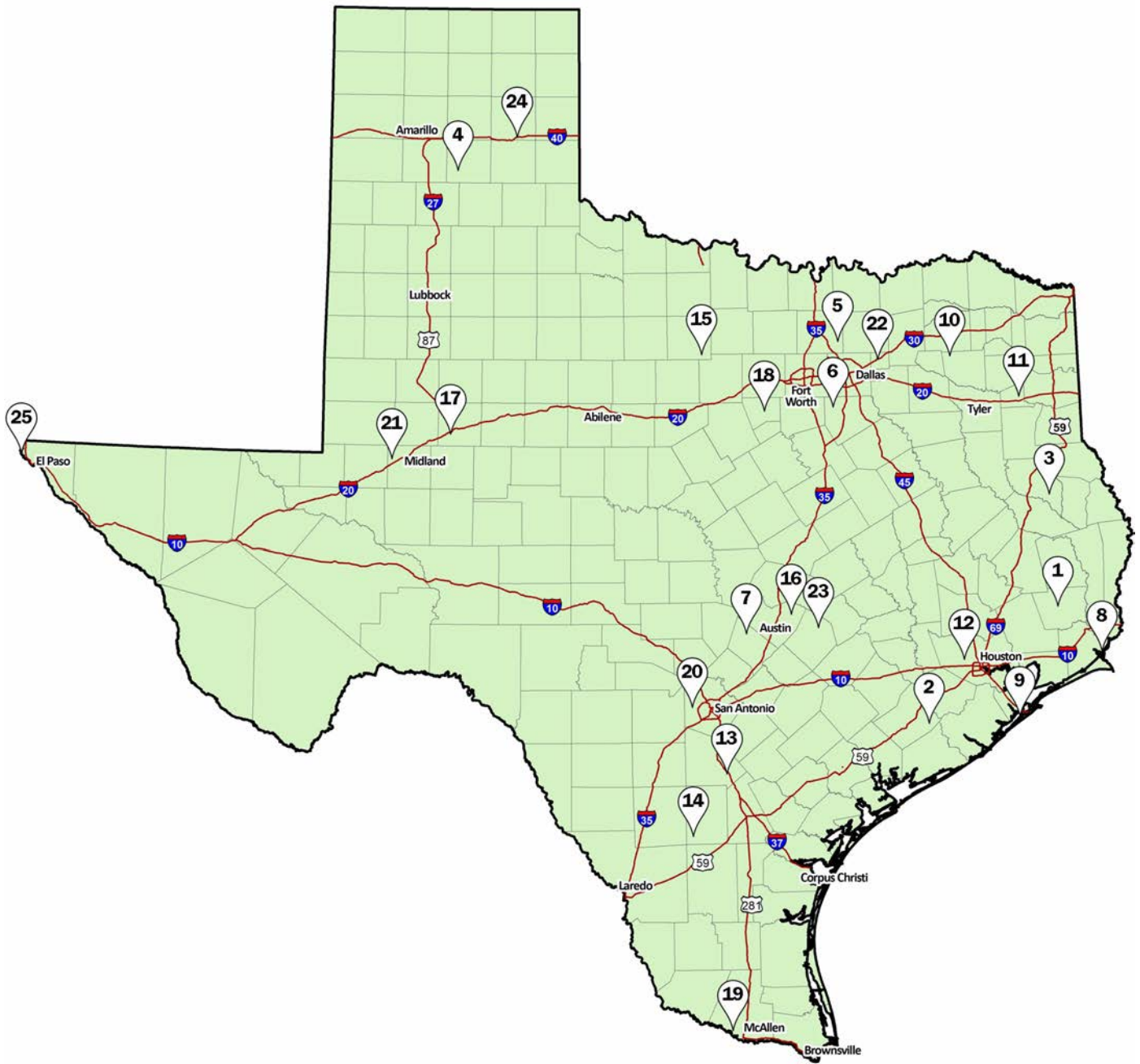
For featured legislation on facilities and state property, see the following bill:

- SB 2004 - Deferred Maintenance Funding for State Facilities, **pg. 19**

Highway Designations

During the 84th Session, the Legislature designated the following highway segments with memorial or honorary names. The bills authorizing these designations have varying effective dates, but all take effect by September 1, 2015.

	Designation	Highway	Location	Bill	Bill Author/Sponsor
1	Game Warden Wesley W. Wagstaff Memorial Highway	FM 1293	Hardin County	HB 219	Author: Rep. James White Sponsor: Sen. Robert Nichols
2	Master Sergeant Mike C. Peña Memorial Highway	Segment of FM 1301	Wharton County	HB 481	Author: Rep. Phil Stephenson Sponsor: Sen. Lois Kolkhorst
3	Bob Luman Memorial Highway	Segment of SH 21	Nacogdoches County	HB 598	Author: Rep. Travis Clardy Sponsor: Sen. Robert Nichols
4	William Hamblen Memorial Highway	Segment of SH 207	Armstrong County	HB 663	Author: Rep. Ken King Sponsor: Sen. Kel Seliger
5	U.S. Army Sergeant Enrique Mondragon Memorial Highway	Segment of FM 423	Denton County	HB 1044	Author: Rep. Pat Fallon Sponsor: Sen. Jane Nelson
6	Chris Kyle Memorial Highway	Segment of US 287	Midlothian	HB 1187	Author: Rep. John Wray Sponsor: Sen. Brian Birdwell
7	Lieutenant Clay Crabb Memorial Highway	Segment of US 290	Hays and Travis Counties	HB 1237	Author: Rep. Tony Tinderholt Sponsor: Sen. Konni Burton
8	Texas Game Warden Michael C. Pauling Memorial Highway	Segment of SH 87	Jefferson County	HB 1963	Author: Rep. Joe Deshotel Sponsor: Sen. Brandon Creighton
9	George and Cynthia Mitchell Memorial Causeway	I-45 Causeway	Galveston County	HB 2181	Author: Rep. Wayne Faircloth Sponsor: Sen. Larry Taylor
10	Sgt. Tanner Stone Higgins Memorial Highway	Segment of SH 154	Wood and Hopkins Counties	HB 2265	Author: Rep. Bryan Hughes Sponsor: Sen. Bob Hall
11	Texas Ranger Glenn Elliott Memorial Highway	Spur 63	Gregg County	HB 2540	Author: Rep. David Simpson Sponsor: Sen. Kevin Eltife
12	Ronald Reagan Memorial Highway	Segment of US 290	Harris County	HB 3236	Author: Rep. Allen Fletcher Sponsor: Sen. Paul Bettencourt
13	Trooper Terry Wayne Miller Memorial Highway	Segment of I-37	Atascosa County	SB 45	Author: Sen. Judith Zaffirini Sponsor: Rep. Ryan Guillen
14	Game Warden James E. Daughtrey Memorial Highway	Segment of FM 624	McMullen County	SB 227	Author: Sen. Judith Zaffirini Sponsor: Rep. Ryan Guillen
15	Texas Game Warden Joseph Marshall Evans Memorial Highway	Segment of SH 16	Young County	SB 288	Author: Sen. Craig Estes Sponsor: Rep. Drew Springer
16	Deputy Jessica Hollis Memorial Highway	Segment of FM 685	Travis County	SB 415	Author: Sen. Kirk Watson Sponsor: Rep. Celia Israel
17	William B. Crooker Memorial Highway	Segment of US 87	Howard County	SB 489	Author: Sen. Kel Seliger Sponsor: Rep. Drew Darby
18	Deputy Sergeant Lance McLean Memorial Highway	Loop 567	Granbury	SB 671	Author: Sen. Brian Birdwell Sponsor: Rep. Jim Keffer
19	World War II Veterans 349th Regt. 88th Inf. Div. Memorial Highway	Segment of SH 83	Hidalgo County	SB 1737	Author: Sen. Juan "Chuy" Hinojosa Sponsor: Rep. Robert "Bobby" Guerra
20	Specialist Dane Balcon Memorial Bridge	Segment of SH 151	San Antonio	SB 1831	Author: Sen. Jose Menendez Sponsor: Rep. Ina Minjarez



	Designation	Highway	Location	Bill	Bill Author/Sponsor
21	Sergeant Michael Naylor Memorial Highway	Segment of SH 191	Midland County	SB 2041	Author: Sen. Kel Seliger Sponsor: Rep. Tom Craddick
22	Congressman Ralph Hall Highway	Segment of I-30	Rockwall County	SB 2041	Author: Sen. Kel Seliger Sponsor: Rep. Tom Craddick
23	Captain Jesse Billingsley Memorial Loop	Loop 223	Bastrop County	SB 2055	Author: Sen. Kirk Watson Sponsor: Rep. John Cyrier
24	Route 66 Historic Corridor	<i>To be determined</i>	<i>To be determined</i>	HB 978	Author: Rep. Walter T. "Four" Price Sponsor: Sen. Kel Seliger
25	Don Juan de Onate Trail	Westside Drive	El Paso	HB 3868	Author: Rep. Joe Moody Sponsor: Sen. Jose Rodriguez

Index of Bills by Number

Bill	Page		Page
HB 1.....	6	HB 1605.....	42
HB 2.....	22	HB 1738.....	30
HB 7.....	22	HB 1741.....	33
HB 9.....	43	HB 1771.....	45
HB 20.....	13	HB 1833.....	37
HB 122.....	12	HB 1888.....	23
HB 219.....	54	HB 1963.....	54
HB 426.....	43	HB 1969.....	33
HB 437.....	43	HB 1982.....	30
HB 445.....	44	HB 2181.....	54
HB 463.....	25	HB 2265.....	54
HB 481.....	54	HB 2475.....	51
HB 497.....	30	HB 2521.....	38
HB 565.....	29	HB 2536.....	31
HB 598.....	54	HB 2540.....	54
HB 663.....	54	HB 2549.....	38
HB 735.....	51	HB 2612.....	21
HB 745.....	26	HB 2633.....	26
HB 786.....	44	HB 2861.....	34
HB 834.....	26	HB 2946.....	27
HB 855.....	49	HB 3225.....	18
HB 910.....	44	HB 3236.....	54
HB 966.....	45	HB 3302.....	25
HB 978.....	55	HB 3307.....	46
HB 1044.....	54	HB 3337.....	46
HB 1187.....	54	HB 3438.....	51
HB 1237.....	54	HB 3439.....	52
HB 1295.....	24	HB 3750.....	52
HB 1321.....	33	HB 3777.....	38
HB 1394.....	37	HB 3868.....	55
HB 1422.....	37		

SB 20.....	16	SB 754	27
SB 34	49	SB 797	40
SB 45	54	SB 805	48
SB 57.....	39	SB 971.....	35
SB 227	54	SB 1059.....	35
SB 273	46	SB 1171	35
SB 288	54	SB 1338.....	36
SB 374.....	47	SB 1389.....	40
SB 389	47	SB 1467	20
SB 415	54	SB 1512.....	23
SB 449	27	SB 1737	54
SB 489	54	SB 1812.....	31
SB 505	42	SB 1831.....	54
SB 562	34	SB 1877	49
SB 570	25	SB 1918.....	28
SB 574.....	31	SB 2004.....	19
SB 638	31	SB 2041.....	55
SB 671.....	54	SB 2055.....	55
SB 678	39	SJR 5	10
SB 679	39		

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