Transportation and Air Quality Legislation
83rd Texas Legislature

House Bills

HB 6 (Otto) relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

HB 6 abolishes all funds, accounts and revenue dedications created or recreated by the 83rd Texas Legislature, unless specifically exempted under separate sections of the bill. Any funds, accounts or revenue dedications abolished would be deposited to the credit of the unobligated portion of the General Revenue Fund 0001. The bill exempts dedications, funds and accounts that were enacted before the 83rd Legislature to comply with the State Constitution or federal requirements, previously exempt funds or accounts exempted prior to the 83rd Legislature. The bill defines the state agencies to which this act would apply and specifically lists the numerous funds, accounts and dedications of revenue which are exempt.

This bill takes effect immediately.

HB 7 (Darby) relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; making an appropriation.

HB 7 implements recommendations in the Legislative Budget Board’s report, Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget submitted to the 83rd Texas Legislature in January 2013. The bill requires the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds. The LBB would incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations for further reducing reliance for the succeeding six years.

All interest and other earnings that accrued on General Revenue Dedicated Funds available for certification would now be available for any general governmental purpose and deposited into the General Revenue Fund.

This bill takes effect immediately.

HB 341 (Pitts) relating to the exclusion of certain mineral interests from the property interests that may be condemned by a regional tollway authority.

HB 341 requires a tollway authority to exclude all oil, gas and sulphur interests to be condemned without providing the owner of the interests any ingress or egress rights to the surface of the property. This would apply only to the North Texas Tollway Authority.

This bill takes effect September 1, 2013.
HB 347 (Pitts) relating to prohibiting using a wireless communication device while operating a motor vehicle on school property.

HB 347 prohibits using a wireless communication device while operating a motor vehicle in the property of a public or private elementary or middle, junior high or high school during the time a reduced speed limit is in effect for the school crossing zone, unless the vehicle is stopped or a hands-free device is used. This preempts all local ordinances, rules or regulations adopted by a political subdivision relating to the use of a wireless communication device by the operator of a motor vehicle, except when prohibiting the use of a wireless communication device while operating a motor vehicle throughout its entire jurisdiction.

This bill takes effect September 1, 2013.

HB 567 (Smith) relating to the definition of an authorized emergency vehicle.

HB 567 redefines "authorized emergency vehicles" to include an emergency medical services vehicle authorized under an emergency medical services provider license, issued by the Department of State Health Services and operating under a contract with an emergency services district.

This bill takes effect September 1, 2013.

HB 625 (Harper-Brown) relating to the penalty for the operation of a vehicle without a license plate.

HB 625 makes operating a motor vehicle without a license plate a misdemeanor offense punishable by a fine not to exceed $200. Past legislation had removed a law that set a fine for operating a vehicle without a license plate.

This bill takes effect September 1, 2013.

HB 674 (Ratliff) relating to providing notice of certain proposed municipal zoning changes to a school district.

HB 674 requires written notice be mailed to any school district 10 days before a hearing in which a residential or multifamily zoning change is proposed. Current law requires that written notice be mailed only to the property owners within 200 feet of a property subject to a potential zoning change.

This bill takes effect September 1, 2013.

HB 695 (Phillips) relating to funding state highway markers.

HB 695 prohibits the Texas Department of Transportation (TxDOT) from designing, constructing or erecting a marker identifying a state highway as a memorial unless it received a donation or grant to cover the costs. The bill also requires TxDOT to accept grants or donations to help finance the cost of memorial markers.

This bill takes effect September 1, 2013.
HB 788 (Smith) relating to permitting of greenhouse gas emissions by the Texas Commission on Environmental Quality; limiting the amount of a fee.

HB 788 allows the Texas Commission on Environmental Quality (TCEQ) to issue permits to facilities to emit greenhouse gases defined as carbon dioxide, methane and nitrous oxide. TCEQ would be required to develop rules to implement a greenhouse gas permitting program and procedures to transition any applications pending with the Environmental Protection Agency (EPA). TCEQ could impose fees to pay for greenhouse gas permitting only as necessary to cover additional reasonably necessary direct costs associated with issuing the permits. If authorization to emit greenhouse gases was no longer required under federal law, TCEQ would repeal any rules adopted.

This bill takes effect immediately.

HB 802 (Rose) relating to the definition of an authorized emergency vehicle.

HB 802 authorizes county owned or leased emergency management vehicles to be classified as emergency vehicles authorized to operate with red and blue lights and sirens.

This bill takes effect September 1, 2013.

HB 912 (Gooden) relating to images captured by unmanned aircraft and other images and recordings; providing penalties.

HB 912 defines an "image" captured by unmanned aircraft and creates a class C misdemeanor offense if a person uses an unmanned aircraft to capture an image of a person or privately owned property in the image. It also creates a Class B misdemeanor for the disclosure, display, distribution or other use of certain related images.

The bill takes effect September 1, 2013.

HB 1025 (Pitts) relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

HB 1025 makes supplemental appropriation increases and reductions for various state agencies. Beginning in fiscal year 2013, the bill would make net appropriation increases out of general revenue funds in the sum of $627.97 million, $158.1 million out of General Revenue Dedicated Accounts, $1.9 million out of the Economic Stabilization Fund and $10.35 million out of federal funds.

The following transportation related appropriation reduction would be made:
- $105 million from the Texas Department of Transportation

The following appropriation increases would be made out of General Revenue Fund 001:
- $450 million to the Texas Department of Transportation for repairs in energy sectors, including $225 million that would be transferred to State Highway Fund 6 for certain projects within the state highway system and $225 million that would be transferred to the Transportation Infrastructure Fund for county transportation projects.

This bill takes effect immediately.
HB 1050 (Callegari) relating to purchasing and other contracts by governmental entities.

HB 1050 makes changes to the design-build process. The bill would push the start-date up two years to September 1, 2013 for government entities with populations between 100,000 and 500,000 to be able to perform up to four design-build projects per year. A design-build firm submitting a bid for a project could be required to disclose the companies to be used for the project. The bill would also remove the requirement for government entities considering the design-build method to make formal findings that the criteria for selecting this project method was properly considered.

The bill takes effect September 1, 2013.

HB 1097 (Sheets) relating to the amount of a fine for certain traffic offenses committed in a construction or maintenance work zone.

HB 1097 amends current law relating to the amount of a fine for certain traffic offenses committed in a construction or maintenance work zone. Warning signs and barricades must specify that a construction or maintenance work zone is marked with at least one sign indicating the maximum lawful speed.

This bill takes effect September 1, 2013.

HB 1123 (Herrero) relating to discount programs for certain veterans provided by toll project entities.

HB 1123 requires a local toll project entity (regional tollway authority, regional mobility authority, or county toll road authority) to offer free or discounted use of the entity’s toll projects for vehicles registered with the applicable military specialty license plates if the entity opts to establish a discount program for electronic toll collection customers.

This bill takes effect September 1, 2013.

HB 1174 (Fallon) relating to the penalties for illegally passing a stopped school bus.

HB 1174 makes the penalties for a misdemeanor offense of passing a stopped school bus loading or unloading children not less than $500 or more than $1,250. It would add to the list of penalties for a misdemeanor offense and would create a fine of not less than $1,000 or more than $2,000 if the person is convicted of a second or subsequent violation within five years of the previous offense.

The bill takes effect September 1, 2013.

HB 1348 (Menendez) relating to the taxation of certain tangible personal property located inside a defense base development authority.

HB 1348 requires that a commercial aircraft under construction within a defense base development authority’s jurisdiction is temporarily within the state for the purposes of the Tax Code, and therefore exempt from taxation. Tangible personal property within the authority would
also be exempt from taxation if the owner demonstrated to the tax appraisal district that the property was designed to be attached or incorporated into the aircraft under construction.

The bill takes effect January 1, 2014.

**HB 1384 (Bell) relating to the authority of a county road department to accept donations.**

HB 1384 authorizes a commissioner’s court to accept donations of labor, money or other property to aid in the building or maintaining of roads in the county.

This bill takes effect immediately.

**HB 1458 (Gooden) relating to the designation of US Highway 175 in Kaufman County as the Veterans Memorial Highway.**

HB 1458 requires the Texas Department of Transportation (TxDOT) to design, construct and erect highway markers designating US Highway 175 in Kaufman County as the Veterans Memorial Highway.

This bill takes effect immediately.

**HB 1511 (Larson) relating to the rates of sales and use taxes imposed by municipalities; authorizing an increase or decrease in the rate of those taxes.**

HB 1511 allows units of local government to change their sales tax rates in one-eighth of a percent increments, and would continue to not exceed the current two percent cap.

The bill takes effect September 1, 2013.

**HB 1534 (Leach) relating to the designation of certain segments of highway in Collin County and Jim Wells County.**

HB 1534 requires the Texas Department of Transportation (TxDOT) to design, construct and erect highway markers designating the portion of US Highway 75 in Collin County between the President George Bush Turnpike and US Highway 380, as the Sam Johnson Highway. TxDOT is not required erect the markers unless a grant or donation of funds is made to cover the cost.

This bill takes effect September 1, 2013.

**HB 1545 (Allen) relating to a study regarding the use of certain public transportation services by persons with disabilities.**

HB 1545 requires the Governor’s Committee on People with Disabilities, in coordination with providers located in rural and urban areas of the state and paratransit advocacy groups, to conduct a study related to public transportation services designed for people with disabilities. A report must be submitted, no later than January 1, 2015, to the Governor, Lieutenant Governor, Speaker of the House and House and Senate Transportation committees.

The bill takes effect on September 1, 2013.
HB 1607 (Farney) relating to the authority of the commissioners court of a county to alter speed limits on county roads.

HB 1607 provides that a commissioner’s court may establish a speed limit of not more than 70 miles per hour on county roads. Under current statute, the limit is 60 miles per hour.

This bill takes effect immediately.

HB 1675 (Bonnen) relating to the sunset review process and certain governmental entities subject to that process.

HB 1675 changes the Sunset review dates for various governmental agencies including the Texas Department of Transportation from 2015 to 2017.

This bill takes effect immediately.

HB 2100 (Thompson) relating to the salary for certain employees of the Department of Public Safety of the State of Texas.

HB 2100 enables the Department of Public Safety to annually pay employees in the three lowest state trooper classifications up to 15 percent above the maximum salary.

This bill takes effect September 1, 2013.

HB 2148 (Hilderbran) relating to the motor fuel tax on compressed natural gas and liquefied natural gas; providing penalties; imposing a tax.

HB 2148 removes compressed natural gas (CNG) and liquefied natural gas (LNG) from the current regulatory framework governing liquefied gas. A new subchapter of the Tax Code is added to govern the collection and administration of taxes for CNG and LNG, adding a tax of 15 cents per gasoline or diesel gallon equivalent. A CNG and LNG dealer would add the amount of the tax to the selling price to be paid by the purchaser and the dealer would be liable for collecting all taxes. The dealer must provide an invoice or receipt that stated the rate and amount of tax added to the selling price.

The bill authorizes a refund for all CNG and LNG taxes paid by a metropolitan rapid transit authority operating under Transportation Code, Chapter 451. After making deductions for refund purposes and for administration and enforcement, the comptroller would allocate the remainder of the taxes collected in the same way as existing gasoline taxes: one-fourth to be deposited to the Available School Fund and three-fourths to be deposited to the State Highway Fund.

The bill takes effect September 1, 2013.
HB 2202 (Pickett) relating to the disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles; authorizing fees.

HB 2202 modifies provisions and transfers funds from the State Highway Fund to the Department of Motor Vehicles (DMV). The bill establishes the DMV fund as a fund in the treasury outside the General Revenue Fund and the State Highway Fund and consists of the following:

- Money appropriated by the legislature to the DMV
- Money allocated to pay fund accounting costs and related liabilities of the fund
- Gifts, grants and donations received by the DMV
- Money required by law to be deposited to the fund
- Interest earned on money in the fund

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

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

The DMV could collect a fee, in addition to other registration fees for the issuance of a license plate, a set of license plates or another device used as the registration insignia to cover the expenses of collecting those registration fees, including a service charge for registration by mail. The DMV board would set the fee by rule in an amount that included the existing $1 fee for mail-in registration, and was sufficient to cover the expenses associated with collecting registration fees.

The county tax assessor-collector, a privately contracted entity or a deputy assessor-collector could retain a portion of the fee collected as provided by board rule. Remaining amounts collected would be deposited to the credit of the DMV fund. The DMV board could adopt a fee, currently set in statute at $1, of between 50 cents and $1 for registration and titling. The fee would be deposited into a sub account in the DMV fund. The Legislative Budget Board fiscal note estimates a net gain to the DMV fund of $161.4 million in fiscal year 2014 and $103.6 million in fiscal year 2015. This gain would have a corresponding net loss to Fund 6.

This bill takes effect September 1, 2013.

HB 2204 (Pickett) relating to the establishment of a variable speed limit pilot program by the Texas Transportation Commission.

HB 2204 requires the Texas Transportation Commission (TTC) to establish a variable speed pilot program to be implemented by the Texas Department of Transportation to study the effectiveness of lowering of a speed limit to address inclement weather, congestion, construction or any other condition that impacts the safe movement of traffic. The bill would require that a speed limit established under the program be based on a traffic and engineering investigation. The bill would require the TTC to submit a report to the legislature regarding the pilot program. The provisions of the bill would expire on February 1, 2015.

This bill takes effect immediately.
HB 2290 (Lozano) relating to the use for administrative costs of a portion of money received by certain entities to implement a supplemental environmental project.

The Texas Commission on Environmental Quality (TCEQ) administers a Supplemental Environmental Project (SEP) program or projects that a respondent agrees to undertake in settlement of an enforcement action, but is not otherwise legally required to perform. HB 2290 allows TCEQ to permit a local government or a 501(c)(3) nonprofit organization to use up to 10 percent of the direct cost of an SEP project for administrative costs, including overhead, personnel salary, fringe benefits, and travel and per diem expenses.

This bill takes effect immediately.

HB 2300 (Keffer) relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones.

HB 2300 allows a county commissioner’s court to designate a contiguous geographic area in the jurisdiction of the county to be a transportation reinvestment zone (TRZ) after determining that an area is affected by oil and gas exploration and production activities. The bill authorizes the county to pay an amount equal to the tax increment produced by the county into a tax increment account, less any amounts allocated under previous agreements to construct or maintain roads in the zone.

The bill would establish requirements regarding an advisory board for the zone and for the creation of a Road Utility District (RUD). The RUD may issue bonds and pledge all or a specified amount of money in the tax increment account to secure bonds. The commissioner’s court would be authorized to accept donations of labor, money or other property to aid in the building or maintaining of roads in the county or counties.

This bill takes effect September 1, 2013.

HB 2304 (Rodriguez) Relating to the certification of sheriffs and deputy sheriffs to enforce commercial motor vehicle safety standards in certain counties.

HB 2304 lowers the population bracket for counties where sheriffs or deputy sheriffs can be certified by the Department of Public Safety (DPS) to endorse federal commercial motor vehicle regulations. This will open the opportunity to Bexar, Tarrant and Travis Counties. The DPS would establish reasonable fees to recover costs to certify its peace officers.

This bill takes effect September 1, 2013.

HB 2305 (Rodriguez) relating to motor vehicle inspections; creating an offense; changing the collection method for certain fees.

HB 2305 prohibits an inspection station from issuing a passing vehicle inspection report for a vehicle equipped with a compressed natural gas container unless the owner of the vehicle can demonstrate the container is still within its manufacturer's recommended service life and has met certain inspection requirements, and the vehicle is a fleet vehicle for which the fleet operator employs a technician certified to inspect the container.
The bill would also establish a combined vehicle safety and vehicle registration sticker. The Department of Public Safety (DPS) and the Department of Motor Vehicles (DMV) are required to replace the current Texas dual inspection/registration sticker system with a single registration sticker. A vehicle may not be registered without proof of a safety and/or emission inspection, either electronically or via a printed inspection report. Vehicle owners must complete vehicle safety inspections prior to their registration renewal and may obtain an inspection certificate not earlier than 90 days before the date of expiration of the vehicle's registration.

DPS, in consultation with the Texas Commission on Environmental Quality (TCEQ), is required to implement a system for both safety and air quality inspections. DPS would maintain an electronic database to which inspections stations must electronically submit, upon completion of an inspection, the inspected vehicle's vehicle identification number and whether the vehicle passed the inspections. Prior to a vehicle being registered, the DMV or the county assessor collector registering the vehicle must verify the vehicle passed its inspection in the inspection database.

The DMV, DPS and TCEQ will adopt rules necessary to implement the changes in law no later than March 1, 2014. This bill takes effect March 1, 2015.

**HB 2394 (Perry) relating to a study on the feasibility of requiring title for all trailers, semitrailers, and travel trailers not considered manufactured housing.**

The bill would require the Department of Motor Vehicles (DMV) to conduct a study of the feasibility of requiring a title for each trailer, semitrailer or travel trailer that is not manufactured housing and submit a report of its findings by September 1, 2014. The study will determine the cost and feasibility of assigning vehicle identification numbers, develop options for obtaining a title, evaluate the process of inspection, verification and assignment of vehicle identification numbers, develop recommendations for requiring the permanent affixation of vehicle identification numbers, determine the fiscal impact from theft, evaluate options to decrease this theft and evaluate the level of access individuals in rural areas have to obtain a title.

This bill takes effect immediately.

**HB 2414 (Button) relating to open meetings of governmental bodies held by videoconference call and to written electronic communications between members of a governmental body.**

HB 2414 allows governmental bodies to meet by videoconference call, regardless of whether a majority of body’s quorum is physically present at one location. Currently, the Open Meetings Act contains provisions allowing governmental bodies to meet by videoconference call only if a quorum is physically present at one location. The notice of the meeting to be held by videoconference must specify at least one physical location made available for public participation. This location must be equipped with videoconference equipment and the member of the governmental body who is presiding over the meeting must be present.

The bill takes effect immediately.
HB 2536 (Geren) relating to the composition of certain regional transportation authority subregional boards.

HB 2536 amends the Transportation Code, in provisions applicable to a subregional board of a regional transportation authority that does not have a municipality with a population of more than 800,000 (this applies to the Fort Worth Transportation Authority), by authorizing an individual who does not reside in a regional transportation authority to be appointed to a subregional board. The individual must be a qualified voter of and reside in a municipality that has entered into a contract with the authority to receive services and has adopted a sales tax to participate in the funding of a transportation project being planned, developed or operated by the authority. An elected official is also eligible, as an additional duty of office, to serve on the board.

This bill takes effect immediately.

HB 2585 (Harper-Brown) relating to the reimbursement of utilities for relocation of utility facilities following improvement or construction of certain tolled highways.

HB 2585 extends the 50-50 cost-sharing arrangement between the Texas Department of Transportation and utilities that have to move their infrastructure in connection with a toll-road construction, expansion or conversion. The arrangement is extended from September 1, 2013 to September 1, 2017.

This bill takes effect immediately.

HB 2612 (Flynn) relating to prohibitions and restrictions on using county roads in certain circumstances.

HB 2612 provides that a road supervisor may prohibit or restrict the use of a road or a section of a road by a vehicle that will cause excessive damage, if an alternative road is available within the county at the time. A commissioner’s court may identify the alternate route and require heavy vehicles having a gross weight of more than 60,000 pounds to travel the alternate route in order to prevent excessive damage to the road. A person required to operate or move a vehicle on the alternate route would not be liable for damage sustained by the road or bridge, unless the act resulting in the damage constitutes intentional misconduct or gross negligence.

This bill will take effect immediately.

HB 2712 (Perez) relating to the exemption from ad valorem taxation of energy storage systems used for the control of air pollution in a nonattainment area.

HB 2712 allows local governments in air pollution nonattainment areas to offer property tax exemptions for energy storage systems. An energy storage system would be defined as a device capable of storing energy to be discharged at a later time, including a chemical, mechanical or thermal storage device. The tax exemption would have to be adopted by the local government and the governmental entity could opt to discontinue it.

This bill takes effect January 1, 2014.
HB 2741 (Phillips) relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense.

HB 2741 makes various changes to motor vehicle registration, titling and the Texas Department of Motor Vehicles (DMV).

**Vehicle Titles**
This bill amends certain sections of the Transportation Code to clarify language relating to a nonrepairable title, salvage vehicle title and salvage record of title. A $65 rebuilder fee is now applicable to the issuance of rebuilt salvage titles to include trailers and semitrailers. A county is required to submit funds electronically and limit the penalty for late title transfer to $250. The DMV board must establish a fee for the issuance of a paper title to cover the administrative costs of an electronic titling system.

**Vehicle Identification Numbers**
The bill adds a requirement for the DMV to assign a vehicle identification number to a frame and any trailer or semitrailer that did not have a vehicle identification number, regardless of weight. The department could issue a title for a trailer with a gross vehicle weight of up to 4,000 pounds if the other requirements for issuance of a title were met.

**License Plates**
The bill creates a third-degree felony (two to 10 years in prison and an optional fine of up to $10,000) for a person to manufacture, sell or possess a fake registration insignia or license plate. The bill also makes it a class A misdemeanor (up to one year in jail and/or a maximum fine of $4,000) for a person to manufacture, sell, offer to sell or otherwise distribute a license plate flipper with criminal negligence and makes it a class B misdemeanor (up to 180 days in jail and/or a maximum fine of $2,000) for a person to use, purchase or possess a license plate flipper with criminal negligence.

The bill also requires the DMV to issue Big Brothers Big Sisters specialty license plates. Fees would be deposited into the Specialty License Plates General Account to provide grants to benefit Big Brothers Big Sisters of America in Texas.

**Overweight Vehicles**
The bill increases fines and penalties relating to vehicle size and weight and varies depending on the amount by which a vehicle exceeds the allowable gross weight or axle weight. The bill authorizes the DMV to issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles. The bill would establish an annual fee of $1,000 for the permit and requires 50 percent of each fee to be deposited to the State Highway Fund 6 with the remainder going toward the counties designated in the permit application. Annual permits may also be issued for vehicles transporting unrefined timber, wood chips, or biomass at an annual fee of $1,500, with 50 percent of the fee to be deposited to Fund 6 and the remaining 50 percent to be divided equally among all counties designated on the permit application.

The bill also authorizes the DMV to issue a special permit during a major disaster declared by the President of the United States to an overweight or oversize vehicle or load that will be used only to deliver relief supplies.
The bill takes effect September 1, 2013.

HB 2859 (Harless) relating to the amount of money authorized to be used for Clean Air Act local initiative projects related to vehicles.

HB 2859 increases the maximum funding allocation for the local initiatives projects (LIP) program from $5 million to $7 million per year. The bill designates that $2 million of this amount is to be used only for projects with local law enforcement officials to reduce the use of counterfeit state inspection stickers. The passage of this bill does not increase appropriations for the LIP program; the Legislature would have to appropriate any additional funds.

The bill takes effect September 1, 2013.

HB 2874 (Harper-Brown) relating to the designation by the Texas Department of Motor Vehicles of the registration year for certain vehicles sold by a dealer.

HB 2874 aligns the date for the vehicle registration year with the date of sale of the vehicle. This corrects the current inconsistency due to dealerships in Texas having up to 30 days to submit the car purchase information to the county tax assessor-collector and the submission date in practice becomes the date of sale, rather than the actual date of purchase.

This bill takes effect September 1, 2013.

HB 3063 (Menendez) relating to defense base development authorities.

This bill was vetoed by the Governor.

HB 3063 would have established an area inside the boundaries of a defense base development authority to automatically qualify as an enterprise zone for purposes of the Texas Enterprise Zone Act. The bill would have also provided a commercial aircraft that is under construction inside the defense base authority to be used as an instrumentality of commerce, as it is presumed to be in interstate, international or foreign commerce and not located in this state for longer than a temporary period for purposes of the Tax Code.

HB 3066 (Menendez) relating to the qualification of an area inside a base defense authority as an enterprise zone.

HB 3066 allows defense base development authorities to add the land within an authority’s boundary to the list of areas that automatically qualify as part of an enterprise zone program.

This bill takes effect immediately.

HB 3086 (Darby) relating to an optional exemption from the diesel fuel tax for materials blended with taxable diesel fuel.

Currently, a diesel fuel tax exemption is granted for the volumes of water, fuel ethanol, renewable diesel or biodiesel that are blended together with taxable diesel fuel when the finished product is clearly identified on the retail pump, storage tank and sales invoice. HB 3086 provides that, instead of taking the exemption on the non-diesel fuel components in the product
and meeting the product identification requirements, the entity collecting and remitting the diesel fuel tax could elect to pay the tax on the entire product and the product identification requirements would not apply. Diesel fuel on which tax had been paid under the provisions of the bill is taxable and no entitlement to refund or exemption is otherwise established.

The bill would take effect September 1, 2013.

**HB 3520 (Branch) relating to the designation of a segment of US Highway 75 in Dallas County as the George W. Bush Expressway.**

The bill would require the Texas Department of Transportation (TxDOT) to design, construct, and erect highway markers designating a segment of US Highway 75 as the George W. Bush Expressway between the intersections of Knox Street/North Henderson Avenue and Northwest Highway. This is contingent upon the department receiving a grant or donation of funds to cover the costs. The bill would require TxDOT to accept a grant or donation made to assist in financing the construction or maintenance of the markers.

This bill takes effect September 1, 2013.

**Senate Bills**

**SB 1 (Williams) relating to appropriations for the 2014-2015 biennium.**

SB 1 appropriates $197 billion from all fund sources for the 2014–15 biennium. This is a 3.7 percent increase from the 2012–13 biennial level of funding ($189.9 billion). General Revenue Funds, including funds dedicated within the General Revenue Fund, total $101.4 billion for the 2014–15 biennium, an increase of $7.6 billion, or 8.1 percent, from the 2012–13 biennial level of funding ($93.8 billion).

**Texas Department of Transportation**

$17.4 billion is provided for transportation planning and design, right-of-way acquisition, construction and maintenance and preservation. This amount includes $8.2 billion for maintenance and preservation of the existing transportation system (an increase of $1.5 billion from the 2012–13 biennial level of funding), $6.7 billion for construction and highway improvements (an increase of $1.2 billion), $1.6 billion for transportation system planning, design, and management and $0.9 billion for right-of-way acquisition (a decrease of $1.1 billion). $2.4 billion (an increase of $756 million) is provided for debt service payments and other financing costs for TxDOT’s borrowing programs, including $1.9 billion from the State Highway Fund and the Texas Mobility Fund, $368.4 million in General Revenue Funds and $125.7 million in federal funds from Build America Bond interest payment subsidies.

$265.3 million in State Highway Funds is provided to TxDOT for transportation needs through a method-of-finance swap at the Department of Public Safety, reducing that agency’s reliance on State Highway Funds for its operations. A similar swap of $134.7 million is in HB 1025, which would bring the total additional State Highway Funds to TxDOT to $400 million for the 2014–15 biennium.

**Natural Resources**

$155.2 million in General Revenue - Dedicated Texas Emissions Reduction Plan (TERP) Funds is provided to the Texas Commission on Environmental Quality (TCEQ) for additional TERP
grants during the 2014–15 biennium, a $24.9 million increase from the 2012–13 biennial level of funding.

Texas Emissions Reduction Plan (TERP): Grants and Administration

$77,596,164 is appropriated in fiscal year 2014 and $77,596,163 in fiscal year 2015 out of the Texas Emissions Reduction Plan (TERP) Account No. 5071. This is an increase of approximately $20 million per year over fiscal year 2012-13. The following table shows the allocation for TERP appropriations for the 2014–15 biennium.

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TCEQ is authorized to reallocate unexpended balances between programs to meet the objectives of the TERP program.

Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP)

$7,039,640 is appropriated in each fiscal year of the 2014-15 biennium in estimated fee revenues from vehicle inspection and maintenance fees generated to fund the Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). This continues the 87.5 percent cut that was implemented during the fiscal year 2012-13 biennium.

$40,375 in each fiscal year may be used by TCEQ for costs associated with administering the LIRAP and all remaining funds may be used as LIRAP grants to local governments. $625,000 in each fiscal year of the 2014-15 biennium out of the Clean Air Account No. 151 may be used only for county-implemented local initiatives projects to reduce air emissions.

Of the amounts appropriated above for LIRAP grants and local initiative projects is an estimated $1,196,172 each fiscal year in estimated fee revenue generated from Travis County and $483,736 each fiscal year in estimated LIRAP fee revenue generated from Williamson County. TCEQ shall allocate, at a minimum, the estimated revenue amounts collected in those counties during the 2014-15 biennium to provide LIRAP grants and local initiatives projects in those counties only.

Any additional revenues from vehicle inspection and maintenance fees generated from additional counties participating in the LIRAP beginning on or after September 1, 2013 is appropriated to TCEQ. Such funds shall be used to provide grants to local governments and to cover administrative costs for TCEQ to administer LIRAP.

This bill takes effect September 1, 2013.
SB 181 (Hegar) relating to verification of motor vehicle financial responsibility information.

SB 181 gives a motor vehicle operator the option of providing evidence of financial responsibility in an image displayed on a wireless communication device. A peace officer may not issue a citation for a failure to show financial responsibility unless he has access to a verification program and is unable to verify financial responsibility through that verification program. An operator's use of an image on a wireless communication device to show financial responsibility information does not allow consent for a law enforcement officer, or any other person, to access the contents of the wireless communication device except to view the financial responsibility information. The bill would also stipulate an individual must display a paper copy of the person's financial responsibility information upon demand of a court or the commissioner of insurance.

The bill takes effect immediately.

SB 194 (West) relating to ingress and egress for access by emergency vehicles and for use during evacuations in certain new residential subdivisions.

SB 194 requires municipalities and counties to adopt infrastructure standards requiring at least two means of ingress and egress for use by emergency vehicles during evacuations for residential subdivisions that are subdivided into 1,000 or more lots in the unincorporated area of a county.

This bill takes effect September 1, 2013.

SB 223 (Watson) relating to designation of certain vehicles of the Texas Division of Emergency Management as authorized emergency vehicles.

SB 223 designates certain vehicles of the Texas Division of Emergency Management (TDEM) as authorized emergency vehicles. Currently, vehicles operated by TDEM are not authorized to be used as emergency vehicles during a local or state disaster, therefore these emergency responders are prohibited from using lights or sirens on their vehicles and are not granted immediate access to priority areas. DPS will now designate which vehicles of the TDEM may be operated as authorized emergency vehicles.

This bill takes effect immediately.

SB 275 (Watson) relating to the penalty for the offense of leaving the scene of an accident that involves personal injury or death.

SB 275 increases the punishment for failure to stop and render aid in an accident resulting in the death of a person from a third degree felony to a second degree felony.

The bill takes effect on September 1, 2013.
SB 276 (Watson) relating to the authority of certain transportation authorities to create a local government corporation.

SB 276 adds coordinated county transportation authorities under Chapter 460 or Denton County Transportation Authority (DCTA) and rapid transit authorities under Chapter 451 (Capitol Metro in the Austin area), to the categories of governmental entities authorized to create local government corporations (LGCs). A LGC is an entity, created to act on behalf of its creating authority. The Transportation Code currently allows transportation authorities as defined by Chapter 452 or Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority (The T), to create LGCs, but not other transit entities.

This bill takes effect immediately.

SB 466 (Hinojosa) relating to the authority of the Texas Department of Transportation to participate in certain federal transportation programs.

SB 466 authorizes the Texas Department of Transportation (TxDOT) to assume the responsibilities of the United States Department of Transportation with respect to duties under the National Environmental Policy Act of 1969 (NEPA). TxDOT may enter into agreements with the US Secretary of Transportation related to designating categorical exclusions from federally required environmental assessments or impact statements for highway projects. This is intended to expedite the development and construction of highways and other transportation infrastructure projects by reducing the amount of time it currently takes for TxDOT to obtain approval of environmental documents required under NEPA.

This bill takes effect immediately.

SB 510 (Nichols) relating to passing certain vehicles on a highway; providing a penalty.

SB 510 adds a Texas Department of Transportation (TxDOT) vehicle to the current Move Over Law. The bill requires a motor vehicle operator to vacate the lane closest to a TxDOT vehicle that is not separated from the roadway by a traffic control channelizing device and is using visual signals. The bill defines a “traffic control channelizing device” as equipment used to warn and alert drivers of conditions created by work activities in or near the traveled way, to protect workers in a temporary traffic control zone, and to guide drivers and pedestrians safely.

This bill takes effect September 1, 2013.

SB 655 (Birdwell) relating to the exercise of the power of eminent domain by certain authorized entities.

SB 655 amends the Special District Local Laws Code to require that an entity governed by Title 6 (water and wastewater) and authorized by law to exercise eminent domain powers may do so only for a public use in accordance with taking, damaging or destroying property for public use.

The bill takes effect immediately.
SB 948 (Nelson) relating to management of a coordinated county transportation authority.

SB 948 provides requirements for the management of a coordinated county transportation authority governed by Chapter 460 to what constitutes a local government. The provisions of the bill apply to the Denton County Transportation Authority (DCTA), Dallas Area Rapid Transit, and the Fort Worth Transportation Authority. The bill limits the liability of certain private operators that contract with DCTA to the extent that the authority itself would be liable if it were performing the function. DCTA would be authorized to negotiate contracts without competitive sealed bids or proposals under certain circumstances for the lease or purchase of an interest in land, projects awarded through certain alternative project delivery methods and contracts for fare enforcement officer services.

This bill takes effect September 1, 2013.

SB 984 (Ellis) relating to the meeting of a governmental body held by videoconference call.

SB 984 allows a meeting of a governmental body that extends into three or more counties to be held by videoconference call if the member presiding over the meeting is physically present at one location of the meeting that is open to the public. This removes the requirement that remote locations of the other members be open to the public and posted in the notice of the meeting. The notice of the meeting to be held by videoconference call must specify the meeting location where the presiding officer will physically be located. It also requires two-way communications for each remote location from which a member of the governmental body participates.

This bill takes effect September 1, 2013.

SB 1029 (Campbell) relating to the conversion of a nontolled state highway or segment of the state highway system to a toll project.

SB 1029 amends the Transportation Code to remove certain provisions that authorize the Texas Transportation Commission and the Texas Department of Transportation (TxDOT) to convert a nontolled state highway or segment of nontolled state highway to a toll project. The exception to that prohibition that the highway or segment was open to traffic as a turnpike project on or before September 1, 2005, has been removed. The sections relating to the Texas Transportation Commission making the determination to convert the highway or segment to a toll facility was also removed, as well as obtaining county and voter approval. Under the bill, managed lanes are included in the remaining exceptions and may still continue.

This bill takes effect immediately.

SB 1110 (Nichols) relating to the purposes and designation of a transportation reinvestment zone.

SB 1110 clarifies the procedures that a governing body of a municipality or the county commissioner’s court is authorized to take to establish a transportation reinvestment zone (TRZ). A municipality may contract with a public or private entity to develop, redevelop or improve a transportation project in a TRZ and could pledge and assign all or a specified amount
of money in the tax increment account to that entity. A county would be required to hold a public hearing on the creation of the zone.

The bill removes the limitation for pass-through toll projects only and would provide a broad definition of eligible projects by incorporating the definition of “transportation project” from Section 370.003 of the Transportation Code. A county or a municipality may also designate a TRZ for a transportation project located outside the boundaries if certain criteria is met as defined by the provisions of the bill. More than one project can now be developed and all types of financial obligations may be covered by the tax increment revenue. Sales and use taxes could be added to tax increment accounts to pay for both pass-through toll projects as well as all other types of transportation projects.

This bill takes effect September 1, 2013.

SB 1297 (Watson) relating to written electronic communications between members of a governmental body.

SB 1297 permits a governmental body to create an online message board and clarifies that these message boards do not constitute a public meeting as long as they meet the criteria described by the bill. Only members of the governmental body or staff members who have received specific authorization may post a communication to the online message board, along with the name and title of the staff member. The communication must be in writing, the writing is posted to an online message board or similar application that is viewable and searchable by the public and the communication is displayed in real time for no less than 30 days after the communication is first posted. A governmental body must only have one online message board and it must be owned or controlled by the governmental body, prominently displayed on the governmental body's primary web page, and no more than one click away from the governmental body's primary web page.

This bill takes effect September 1, 2013.

SB 1411 (Deuell) relating to regulation of traffic in a special district by a commissioners court.

SB 1411 authorizes the county commissioner’s court to enter into an interlocal agreement with the board of a special district to regulate traffic on a public road owned, operated and maintained by the district. A commissioner’s court may adopt regulations establishing a system of traffic control devices in restricted zones on property abutting a public road owned by a special district if a prior interlocal agreement is currently established.

This bill takes effect immediately.

SB 1461 (Carona) relating to addition of certain municipalities to the territory of a regional transportation authority.

SB 1461 authorizes a municipality that does not have territory that is part of a regional transportation authority to be added to the territory of an authority. The bill requires any part of the municipality be located in a county that is adjacent to a county in which the authority has territory, rather than requiring any part of the municipality be located in a county in which the
authority has territory. The bill also authorizes the authority's intention to provide transportation services in the territory of the municipality.

This bill takes effect immediately.

SB 1489 (Watson) relating to the powers and jurisdiction of a regional mobility authority.

SB 1489 authorizes a regional mobility authority (RMA) with the authority to construct and operate projects, including toll projects, in any area of the state. This is subject to entering into an agreement with the county in which the project is located. Under current statute, a RMA’s authority to construct a project outside its boundaries is limited to a project in a county that is a continuation of a project located within the boundaries of the RMA.

This bill takes effect immediately.

SB 1727 (Deuell) relating to the use of the Texas emissions reduction plan fund.

SB 1727 amends the current Texas Emissions Reduction Plan (TERP) statute adding programs to make them eligible for TERP funding, establishes funding levels for certain TERP programs, changes funding caps and removes certain programs. The programs added include the Clean Fleet Program, the Alternative Fueling Facilities Program, the Natural Gas Vehicle Grant Program, the Clean Transportation Triangle Program, the Energy Efficiency Grant Program and the Drayage Truck Incentive Program. The bill deletes the Energy Efficiency Grant Program from the list of programs eligible for TERP grants. The bill also grants the Texas Commission on Environmental Quality (TCEQ) limited authority to move funds among certain TERP-eligible programs.

TCEQ is allowed to establish a different minimum percentage for the reduction of emissions than the main program standards for projects to convert heavy-duty on-road and stationary diesel engines from diesel fuel to dual-fuel operation using natural gas and diesel fuel. The bill also authorizes TCEQ to consider certified test data to confirm the reductions in nitrogen oxide and other pollutants, if the certification requirements for the conversion systems do not make it possible to fully account for the emissions reductions.

Under the bill, TCEQ is directed to place a priority on programs to address two particular goals: (1) reduction of emissions of nitrogen oxides (NOX) and/or particulate matter (PM) at port facilities in nonattainment areas and (2) reduction of emissions from drilling equipment and related heavy-duty non-road equipment in oil and gas production fields.

The Light-Duty Motor Vehicle Purchase or Lease Incentive program within the TERP program is now revised. It changes responsibility for administering the program from the Comptroller to TCEQ, provides for rebates of $2,500 for the purchase of an eligible vehicle, provides that the eligible vehicles would be limited to new light-duty motor vehicles powered by a dedicated or bi-fuel compressed natural gas or liquefied petroleum gas engine, or an electric drive and removes the requirement for manufacturers to provide a report on eligible vehicles to the TCEQ. The subchapter that establishes the light-duty motor vehicle purchase or lease incentive program now expires on August 31, 2015.
A new Drayage Truck Incentive Program within the TERP program is created to provide rebate-type funding for the replacement of a pre-2007 model year drayage truck with a 2010 or newer model year truck.

The bill would amend the allocation listing of funding from the General Revenue-Dedicated TERP Account No. 5071. Changes include the establishment of a 3 percent allocation for the New Technology Implementation Grants program, of which at least $1 million would be set aside for energy storage projects, TCEQ administrative costs would receive at least $4 million and up to 4 percent of funds up to a maximum of $7 million, whichever is greater. The Drayage Truck Incentive program would receive at least two percent and up to four percent of funding, the existing Light-Duty Motor Vehicle Purchase or Lease Incentive, which receives no allocation under current law, would receive a five percent allocation of TERP Account No. 5071 funding, while the Diesel Emissions Reduction Incentive program would receive the remaining balance of the total appropriations out of the account.

This bill takes effect immediately.

**SB 1729 (Nichols) Relating to an agreement between the Department of Public Safety and a county for the provision of renewal and duplicate driver’s license and other identification certificate services; authorizing a fee.**

SB 1729 allows the Department of Public Safety (DPS) to establish a pilot program under which the department could enter into an agreement with a county commissioner’s court to allow county employees to provide services relating to the issuance of renewal and duplicate driver’s licenses and election and personal identification certificates in county offices including the following:

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

The pilot program could include a maximum of eight counties, including a maximum of three with populations of 50,000 or fewer, a maximum of three with populations of 50,001 to 1 million, and a maximum of two with populations greater than 1 million. A participating county could collect an additional fee up to $5 for each transaction relating to a driver’s license or ID card.

This bill takes effect immediately.

**SB 1730 (Nichols) relating to comprehensive development agreements of the Texas Department of Transportation or a regional mobility authority.**

SB 1730 authorizes the Texas Department of Transportation (TxDOT) to enter into a comprehensive development agreement (CDA) for a nontolled state highway improvement project authorized by the legislature.

The bill amends the list of specific projects for which TxDOT or a regional mobility authority may enter into a CDA and extend the expiration date for the authority to enter into a CDA for these
projects by two years to fiscal year 2017. TxDOT may enter into a CDA for all or part of the following North Texas projects:

- Interstate Highway 35W project in Tarrant County from Interstate Highway 30 to State Highway 114
- State Highway 183 managed lanes project in Tarrant and Dallas Counties from State Highway 121 to Interstate Highway 35E
- Interstate Highway 35E/US Highway 67 Southern Gateway project in Dallas County, including Interstate Highway 35E from 8th Street to Interstate Highway 20 and U.S. Highway 67 from Interstate Highway 35E to Farm-to-Market Road 1382 (Belt Line Road)
- Interstate Highway 820 project from State Highway 183 to Randol Mill Road
- State Highway 114 project in Dallas County from State Highway 121 to State Highway 183
- Loop 12 project in Dallas County from State Highway 183 to Interstate Highway 35E
- Loop 9 project in Dallas and Ellis Counties from Interstate Highway 20 to US Highway 67

This bill takes effect September 1, 2013.

SB 1747 (Uresti) relating to funding and donations for transportation projects, including projects of county energy transportation reinvestment zones.

SB 1747 establishes a state transportation infrastructure fund to administer a grant program for county energy transportation reinvestment zones (CETRZs) to alleviate degradation to roads, bridges and other infrastructure caused by oil and gas exploration. The fund would be dedicated in the state treasury and consist of federal grants, state matching funds, money appropriated by the legislature, gifts and grants, fees paid into the fund, and investment earnings on the money deposited in the fund.

County Energy Transportation Reinvestment Zones
A county may designate an area as a CETRZ and promote one or more infrastructure projects in the area. Counties could determine the amount of tax increment in an area that it concluded was affected by oil and gas production and would benefit from tax increment finance (TIF) money. A commissioner’s court would pledge all the captured appraised value of the real estate in the CETRZ to infrastructure projects and comply with TxDOT regulations on CETRZ funding. The commissioner’s court would have to hold and publicize a public hearing on the CETRZ where interested parties could speak for or against it.

Grant Program
TxDOT would administer a grant program for infrastructure projects in a county with one or more energy CETRZs, provided that the TIF had a positive balance. TxDOT would develop criteria for awarding grants that would include:

- The amount of oil and gas production and related activity in the county, including well refracturing, well completions and drilling of disposal wells
- Safety needs
- Traffic level
- Pavement and bridge conditions
- Weight tolerance permits issued for the county
- Geographic distribution of grant funds through the oil and gas regions of the state

This bill takes effect September 1, 2013.
SB 1756 (Uresti) relating to the expedited processing of certain applications for permits under the Clean Air Act; authorizing a surcharge.

SB 1756 authorizes applicants to request the Texas Commission on Environmental Quality (TCEQ) to expedite the processing of air emission permits if the applicant demonstrated that the purpose of the application would benefit the economy of the state or an area of the state. The TCEQ executive director could grant the request for expedited processing if he or she determined that granting the request does benefit the economy. The bill also authorizes a surcharge to already existing application fees in an amount sufficient to cover the expense of the expedited request. The expedited permitting process would not affect contested case hearings, or other regulatory requirements, including notice, opportunities for public hearings and submission of public comments.

This bill takes effect immediately.

SB 1792 (Watson) relating to remedies for nonpayment of tolls for the use of toll projects; authorizing a fee; creating an offense.

SB 1792 creates enforcement remedies targeted at habitual toll violators. Habitual violators are defined as those who have accumulated 100 or more unpaid tolls in a year or less and have been issued two notices of nonpayment. The bill authorizes a toll project entity to make a determination that a registered owner of a vehicle is a habitual violator for the non-payment of tolls and administrative fees for use of the entities toll projects. Enforcement remedies include a vehicle registration block, prohibiting the operation of a vehicle on tollways, violation of which is a Class C misdemeanor and vehicle impoundment upon proof of repeated violation. A toll project entity may also seek habitual toll violator remedies against lessees of vehicles and owners of vehicles not registered in Texas. The bill also includes policies and procedures for a toll project entity to make and notify the registered owner and authorizes a person to request a hearing in a county court. A 90-day grace period is given from the bill’s effective date for current habitual violators to pay off their unpaid tolls and administrative fees at a discount.

The bill takes effect September 1, 2013.