

2020 County Transportation Infrastructure Fund Grant Program

Background

The 83rd Legislature (2013), in Senate Bill 1747, created Subchapter C (Transportation Infrastructure Fund), Chapter 256, Transportation Code, to establish the County Transportation Infrastructure Fund "CTIF" Grant Program (program) and charged the Texas Department of Transportation (TxDOT) with administering the program. The program provides grants to eligible counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. The program requires local matching funds of 10 percent for counties determined to be "economically disadvantaged" pursuant to Section 222.053, Transportation Code, and 20 percent for all other counties. In 2013, the legislature appropriated \$225 million for the program and established a statutory formula that allocated the funds to eligible counties.

- 2014 Program Call

Current Program

During the 86th Legislature (2019), House Bill 4280 modified the statutory allocation formula for the program and added additional program requirements for grant recipients. Specifically, HB 4280 amended Subchapter C, Chapter 256, Transportation Code, by adding Section 256.107 to require that, when a county uses program funds to contract for construction or maintenance, the county must competitively bid (low-bid) the projects and publicly open the bids. Under Section 256.108, Transportation Code, a county must spend the county's grant allocation within five years from the award date.

HB 4280 modified the statutory allocation formula for the program by adding the vertical well completion ratio as a factor in the program allocation formula and adjusts the relative percentages of two other factors to establish the following revised allocation formula for distributing grant funds among the counties.

- 10 percent - weight tolerance permits ratio (previously 20 percent)
- 20 percent - oil and gas production taxes ratio (no change)
- 45 percent - horizontal well completion ratio (previously 50 percent)
- 10 percent - volume of oil and gas waste injected ratio (no change)
- 15 percent - vertical well completion ratio (new)

TxDOT received Fiscal Year 2019 data from the Texas Comptroller of Public Accounts, the Texas Railroad Commission and the Texas Department of Motor Vehicles to calculate the allocation of grant funds appropriately with the updated formula requirements of the program.

The 86th Legislature appropriated \$250 million for the 2020 program call. HB 4280 required TxDOT to update and modify the program's current administrative rules, program documents and agreements. The proposed changes to the administrative rules were proposed for adoption by the Texas Transportation Commission at the November 2019 meeting. It is anticipated that the administrative rules will be finalized at the February 2020 Texas Transportation Commission meeting and published in the Texas Register mid-March of 2020.

2020 Program Call

After the rules are adopted by the Texas Transportation Commission, TxDOT will notify all counties, by letter to the county judge, of the application process and timeframe for submitting an application to TxDOT for the 2020 program call. The letter will include an estimated grant allocation amount based on the statutorily required allocation formula, with the assumption that all eligible 254 counties apply for the grants. The 2020 application process will be similar to the program call completed in 2014. Counties will be required to complete an application form, submit a list of proposed county projects and submit the county-approved road condition report.