

By: Nichols

S.B. No. 1727

A BILL TO BE ENTITLED

AN ACT

relating to local government corporations created for the development, construction, operation, management, or financing of transportation projects.

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

SECTION 1. Subchapter D, Chapter 431, Transportation Code, is amended by adding Section 431.1015 to read as follows:

Sec. 431.1015. CORPORATIONS OF CERTAIN POPULOUS COUNTIES FOR TOLL PROJECTS. (a) Notwithstanding Chapter 284 or any other law, a county with a population of more than four million may not create a local government corporation under this chapter to develop, construct, operate, manage, or finance a toll project or system located in the county.

(b) An existing local government corporation created by a county described by Subsection (a) for the purposes described by that subsection:

(1) may not:

(A) undertake any new bonds, notes, or other obligations or extend the terms of any existing bonds, notes or other obligations; or

(B) enter into any new contracts or extend the terms of any existing contracts; and

(2) must be dissolved when all bonds, notes and other obligations and contracts of the corporation have been satisfied.

1        (c) This subsection and Subsection (b) expire on the date  
2 that the local government corporation described by Subsection (b)  
3 is dissolved.

4        SECTION 2. Section [431.107](#), Transportation Code, is amended  
5 by adding Subsection (c) to read as follows:

6        (c) Notwithstanding any other provision of this chapter,  
7 income earned and revenues received by a local government  
8 corporation created in a county to which Chapter [284](#) applies may  
9 only be used to pay the a costs of a turnpike project, as that term  
10 is defined by Section [370.003](#)(15) or for a road, street, or highway  
11 projects as provided for under section [284.0031](#).

12        SECTION 3. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section [39](#), Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2021.