

BILL ANALYSIS

C.S.H.B. 3017
By: Solomons
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Last session the legislature passed HB 3323, relating to the creation, organization, and powers of a coordinated county transportation authority; authorizing the imposition of a tax, the issuance of bonds and notes, and the exercise of the power of eminent domain. Under this bill, Denton County created the Denton County Transportation Authority (DCTA).

After operating for a year, the DCTA's Executive Committee and their financial advisors have recommended some changes which would help the financial operation of the Authority. HB 3017 reflects those changes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 3017 would change the name of the governing body from Executive Committee to Board of Directors to more closely align the structure of other Transportation Authorities and change the terms of the Board members, including provisions for term limits, vacancies, staggering replacements and allowing for alternatives. It allows the Board to create, by rule, a method by which municipalities may become participating members.

HB 3017 would grant the Authority more financial flexibility by allowing the Authority to accept and pledge gifts, grants, donations, receipts, or funds from any source to carry out its powers and duties. The bill extends the types of bonds that the Authority may issue from 20 to 30 years and makes them subject to Authority rules (repeals sections that refer to 20 year bonds). HB 3017 would also grant the Authority more flexibility by imposing a smaller sales and use tax rate, but increase the amount of notes they may have outstanding.

Section 12 of HB 3017 is a validation of the acts taken by Denton County to set up the Denton County Transportation Authority under the authority granted under 77R HB 3323.

EFFECTIVE DATE

This Act takes effect September 1, 2003, except Section 3 of this Act takes effect only in House Bill 164, 78th Session, is passed by the House and Senate and approved by the Governor.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 3017 differs from the original in that it change the terms of the Board members, including provisions for vacancies, staggering replacements and allowing for alternatives. It would also allow the Authority to pledge grants, from any source to carry out its powers and duties. It changes the extension of bonds that the Authority may issue from 40 years in the original to 30 years in the committee substitute. HB 3017 would also grant the Authority more flexibility by imposing a smaller sales and use tax rate, but increase the amount of notes they may have outstanding. Lastly, CSHB 3017 includes a validation of the Denton County Transportation Authority.

