

AN ACT

relating to the organization, administration, and validation of the creation and certain action of a coordinated county transportation authority.

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

SECTION 1. Section 460.001(3), Transportation Code, is amended to read as follows:

(3) "Board of directors [~~Executive committee~~]" means the governing body of the authority.

SECTION 2. Subchapter A, Chapter 460, Transportation Code, is amended by adding Section 460.004 to read as follows:

Sec. 460.004. REFERENCE. A reference in this chapter to the executive committee means the board of directors.

SECTION 3. Section 460.551(a), Transportation Code, is amended to read as follows:

(a) The executive committee may impose for an authority a sales and use tax at the rate of:

(1) one-quarter of one percent;

(2) three-eighths of one percent;

(3) [~~(2)~~] one-half of one percent;

(4) five-eighths of one percent;

(5) [~~(3)~~] three-quarters of one percent; [~~or~~]

(6) seven-eighths of one percent; or

(7) [~~(4)~~] one percent.

1 SECTION 4. Section 460.056, Transportation Code, is amended  
2 by adding Subsection (f) to read as follows:

3 (f) The board of directors of a confirmed authority may by  
4 rule create a procedure by which a municipality described by  
5 Subsection (d) may become a participating member of an authority.

6 SECTION 5. Section 460.201(b), Transportation Code, is  
7 amended to read as follows:

8 (b) A member of the board of directors [~~executive committee~~]  
9 may not serve more than three consecutive terms.

10 SECTION 6. Subchapter D, Chapter 460, Transportation Code,  
11 is amended by adding Section 460.206 to read as follows:

12 Sec. 460.206. RULES. The board of directors may adopt rules  
13 relating to the creation of a vacancy on the board by the absence of  
14 a board member at the board meetings, staggering the terms of up to  
15 one-half of the board of directors, and providing for alternates.

16 SECTION 7. Section 460.404, Transportation Code, is amended  
17 by adding Subsection (d) to read as follows:

18 (d) An authority may accept gifts, grants, donations,  
19 receipts, or funds from any source to carry out its powers and  
20 duties under this chapter.

21 SECTION 8. Section 460.502(c), Transportation Code, is  
22 amended to read as follows:

23 (c) A bond issued by the authority may [~~must~~] have a  
24 maturity of up to 30 years from the date of issuance [~~20-year even~~  
25 ~~principal and interest payback~~].

26 SECTION 9. Section 460.503, Transportation Code, is amended  
27 to read as follows:

1           Sec. 460.503. BOND TERMS. The bonds of an authority are  
2 fully negotiable. An authority may make the bonds redeemable  
3 before maturity. The terms and conditions of authority bonds are  
4 subject to rules adopted by the board of directors.

5           SECTION 10. Section 460.506, Transportation Code, is  
6 amended to read as follows:

7           Sec. 460.506. SECURITY PLEDGED. To secure the payment of an  
8 authority's bonds, the authority may:

9                   (1) pledge all or part of revenue realized from any tax  
10 that is approved and levied;

11                   (2) pledge any part of the revenue of the public  
12 transportation system; ~~or~~

13                   (3) mortgage any part of the public transportation  
14 system; or

15                   (4) pledge government grants, contractual revenue, or  
16 lease revenue.

17           SECTION 11. Section 460.507, Transportation Code, is  
18 amended to read as follows:

19           Sec. 460.507. REFUNDING BONDS. An authority may issue  
20 refunding bonds at any time [~~if the repayment savings from the~~  
21 ~~refunding bonds exceeds the cost of issuance~~].

22           SECTION 12. Section 460.508(d), Transportation Code, is  
23 amended to read as follows:

24                   (d) An authority may not have outstanding notes in excess of  
25 \$10 [~~\$1~~] million at any one time.

26           SECTION 13. (a) The creation of the Denton County  
27 Transportation Authority under Chapter 1186, Acts of the 77th

1 Legislature, Regular Session, 2001, composed of the territory in  
2 Denton County is validated as of the date of the election held on  
3 November 5, 2002, at which the voters of Denton County approved the  
4 confirmation of the district. Any acts and proceedings of the  
5 district in Denton County are validated as of the dates they  
6 occurred.

7 (b) This Act does not validate any government act or  
8 proceeding that, under the law of this state at the time the act or  
9 proceeding occurred, was a misdemeanor or a felony.

10 SECTION 14. This Act takes effect September 1, 2003, except  
11 Section 3 of this Act takes effect only if House Bill 164, 78th  
12 Legislature, Regular Session, 2003, is passed by the house and  
13 senate and approved by the governor.

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 3017 was passed by the House on May 10, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 3017 on May 30, 2003, by a non-record vote.

---

Chief Clerk of the House

I certify that H.B. No. 3017 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor