

AN ACT

relating to local government participation in the financing of  
turnpike projects.

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

SECTION 1. Subchapter I, Chapter 361, Transportation Code,  
is amended by adding Section 361.308 to read as follows:

Sec. 361.308. AGREEMENTS WITH LOCAL GOVERNMENTS. (a) In  
this section, "local government" means a:

(1) county, municipality, special district, or other  
political subdivision of this state;

(2) local government corporation created under  
Subchapter D, Chapter 431; or

(3) combination of two or more entities described by  
Subdivision (1) or (2).

(b) A local government may enter into an agreement with the  
department or a private entity under which the local government  
assists in the financing of the construction, maintenance, and  
operation of a turnpike project located in the government's  
jurisdiction in return for a percentage of the revenue from the  
project.

(c) A local government may use any revenue available for  
road purposes, including bond and tax proceeds, to provide  
financing under Subsection (b).

(d) An agreement under this section between a local

1 government and a private entity must be approved by the department.

2 (e) Revenue received by a local government under an  
3 agreement under this section must be used for transportation  
4 purposes.

5 SECTION 2. Subchapter G, Chapter 370, Transportation Code,  
6 is amended by adding Section 370.317 to read as follows:

7 Sec. 370.317. AGREEMENTS WITH LOCAL GOVERNMENTS. (a) In  
8 this section, "local government" means a:

9 (1) county, municipality, special district, or other  
10 political subdivision of this state;

11 (2) local government corporation created under  
12 Subchapter D, Chapter 431; or

13 (3) combination of two or more entities described by  
14 Subdivision (1) or (2).

15 (b) A local government may enter into an agreement with an  
16 authority or a private entity under which the local government  
17 assists in the financing of the construction, maintenance, and  
18 operation of a turnpike project located in the government's  
19 jurisdiction in return for a percentage of the revenue from the  
20 project.

21 (c) A local government may use any revenue available for  
22 road purposes, including bond and tax proceeds, to provide  
23 financing under Subsection (b).

24 (d) An agreement under this section between a local  
25 government and a private entity must be approved by the department.

26 (e) Revenue received by a local government under an  
27 agreement under this section must be used for transportation

1 purposes.

2 SECTION 3. This Act takes effect September 1, 2005.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2650 was passed by the House on April 19, 2005, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 2650 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

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

Date

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Governor