

By: Krusee

H.B. No. 2704

Substitute the following for H.B. No. 2704:

By: Phillips

C.S.H.B. No. 2704

A BILL TO BE ENTITLED

AN ACT

relating to the authority of local governments to enter into certain agreements for the construction, maintenance, or operation of toll or nontoll projects or facilities on the state highway system.

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

SECTION 1. Subchapter C, Chapter 791, Government Code, is amended by adding Section 791.033 to read as follows:

Sec. 791.033. CONTRACTS TO CONSTRUCT, MAINTAIN, OR OPERATE FACILITIES ON STATE HIGHWAY SYSTEM. (a) In this section, "state highway system" means the highways in this state included in the plan providing for a system of state highways prepared under Section 201.103, Transportation Code.

(b) A local government may enter into and make payments under an agreement with another local government for the design, development, financing, construction, maintenance, operation, extension, expansion, or improvement of a toll or nontoll project or facility on the state highway system located within the boundaries of the local government or, as a continuation of the project or facility, within the boundaries of an adjacent local government.

(c) An agreement under this section must be approved by the Texas Department of Transportation.

(d) Notwithstanding Section 791.011(d), to make payments

1 under an agreement under this section, a local government may:

2 (1) pledge revenue from any available source,  
3 including payments received under an agreement with the Texas  
4 Department of Transportation under Section 222.104, Transportation  
5 Code;

6 (2) pledge, levy, and collect taxes to the extent  
7 permitted by law; or

8 (3) provide for a combination of Subdivisions (1) and  
9 (2).

10 (e) The term of an agreement under this section may not  
11 exceed 40 years.

12 (f) Any election required to permit action under this  
13 section must be held in conformance with the Election Code or other  
14 law applicable to the local government.

15 (g) In connection with an agreement under this section, a  
16 county or municipality may exercise any of the rights and powers  
17 granted to the governing body of an issuer under Chapter 1371.

18 (h) This section is wholly sufficient authority for the  
19 execution of agreements, the pledge of revenues, taxes, or any  
20 combination of revenues and taxes, and the performance of other  
21 acts and procedures authorized by this section by a local  
22 government without reference to any other provision of law or any  
23 restriction or limitation contained in those provisions, except as  
24 specifically provided by this section. To the extent of any  
25 conflict or inconsistency between this section and any other law,  
26 this section shall prevail and control. A local government may use  
27 any law not in conflict with this section to the extent convenient

1 or necessary to carry out any power or authority, expressed or  
2 implied, granted by this section.

3       SECTION 2. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 Act takes effect September 1, 2005.