

By: Krusee

H.B. No. 2704

A BILL TO BE ENTITLED

AN ACT

relating to certain contractual authority of local governments to construct, maintain or operate toll or nontoll 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 a new Section 791.033, to read as follows:

Sec. 791.033. Contracts to Construct, Maintain or Operate Facilities on the State Highway System.

(a) A local government may, within any applicable constitutional limitation, agree to 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 improvement or facility on the State highway system by such local government within its boundaries or as a continuation of such improvement or facility within the boundaries of adjacent local governments.

(b) To make payments under an agreement under this section, a local government may:

(1) pledge revenues from any available source including payments received under agreements with the Texas Department of Transportation including agreements executed pursuant to Section 222.104, Transportation Code;

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

3 (3) provide for a combination of subdivisions (1) and
4 (2).

5 (c) The term of an agreement under this section may not
6 exceed 40 years.

7 (d) Any election required to permit action under subsection
8 (b) must be held in conformance with the Election Code or other law
9 applicable to the local government.

10 (e) In connection with an agreement, a county or
11 municipality may exercise any of the rights or powers of the
12 governing body of an issuer under Chapter 1371, Government Code.

13 (f) This section is wholly sufficient authority for the
14 execution of agreements, the pledge of revenues, taxes or any
15 combination of revenues and taxes, and the performance of other
16 acts and procedures authorized by this section by local governments
17 without reference to any other provision of law or any restriction
18 or limitation contained in those provisions, except as specifically
19 provided by this section. To the extent of any conflict or
20 inconsistency between this section and any other law, including any
21 charter of a home-rule municipality, this section shall prevail and
22 control. The local governments may use any law not in conflict with
23 this section to the extent convenient or necessary to carry out any
24 power or authority, expressed or implied, granted by this section.

25 SECTION 2. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2005.