

BILL ANALYSIS

H.B. 2114
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Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, rapid transit authorities may issue short term bonds that are secured by “revenue boxes” fees for a term of not more than 12 months. This limitation inhibits the long term planning capabilities of some rapid transit authorities.

HB 2114 will allow the rapid transit authorities, created prior to 1980, with the principal municipality having a population of less than 1.2 million to issue short term revenue bonds with a 10 year term limit.

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

House Bill 2114 amends Section 451.362 of the Transportation Code by adding Subsection (d) to allow rapid transit authorities created prior to 1980 in cases where the principal municipality has a population of less than 1.2 million, to issue bonds with a term of not more than 10 years. It further stipulates that the bonds are payable only from fee revenue received on or after the date the bonds are issued.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.