

By: Fraser

S.B. No. 1536

A BILL TO BE ENTITLED

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AN ACT

relating to the issuance of bonds by a municipality for certain improvements on the state highway system; providing authority to impose a tax.

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

SECTION 1. Subtitle J, Title 9, Government Code, is amended by adding Chapter 1510 to read as follows:

CHAPTER 1510. BONDS FOR HIGHWAY PROJECTS OR FACILITIES

Sec. 1510.001. DEFINITION. In this chapter, "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.

Sec. 1510.002. AUTHORITY TO ISSUE BONDS. (a) A municipality may issue bonds to provide funds for the design, development, financing, construction, maintenance, operation, extension, expansion, or improvement of a nontoll project or facility on the state highway system located in the municipality or, as a continuation of the project or facility, in an adjacent jurisdiction.

(b) To provide for the payment of bonds issued under this section, a municipality may:

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

1 Transportation Code;

2 (2) pledge, levy, and collect taxes, subject to any
3 constitutional limitation; or

4 (3) pledge any combination of revenue and taxes
5 described by Subdivisions (1) and (2).

6 (c) Any election required to permit action under Subsection
7 (b) must be held in conformance with the Election Code or other law
8 applicable to the municipality.

9 (d) A municipality that issues bonds under this section may
10 exercise any of the rights and powers granted to the governing body
11 of an issuer under Chapter 1371.

12 (e) A bond issued under this section must mature not later
13 than 40 years after its date of issuance.

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

26 SECTION 2. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2007.