

1-1 By: Fraser S.B. No. 1536  
1-2 (In the Senate - Filed March 8, 2007; March 20, 2007, read  
1-3 first time and referred to Committee on Transportation and Homeland  
1-4 Security; April 2, 2007, reported favorably by the following vote:  
1-5 Yeas 9, Nays 0; April 2, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the issuance of bonds by a municipality for certain  
1-9 improvements on the state highway system; providing authority to  
1-10 impose a tax.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subtitle J, Title 9, Government Code, is amended  
1-13 by adding Chapter 1510 to read as follows:

1-14 CHAPTER 1510. BONDS FOR HIGHWAY PROJECTS OR FACILITIES

1-15 Sec. 1510.001. DEFINITION. In this chapter, "state highway  
1-16 system" means the highways in this state included in the plan  
1-17 providing for a system of state highways prepared under Section  
1-18 201.103, Transportation Code.

1-19 Sec. 1510.002. AUTHORITY TO ISSUE BONDS. (a) A  
1-20 municipality may issue bonds to provide funds for the design,  
1-21 development, financing, construction, maintenance, operation,  
1-22 extension, expansion, or improvement of a nontoll project or  
1-23 facility on the state highway system located in the municipality  
1-24 or, as a continuation of the project or facility, in an adjacent  
1-25 jurisdiction.

1-26 (b) To provide for the payment of bonds issued under this  
1-27 section, a municipality may:

1-28 (1) pledge revenue from any available source,  
1-29 including payments received under an agreement with the Texas  
1-30 Department of Transportation including under Section 222.104,  
1-31 Transportation Code;

1-32 (2) pledge, levy, and collect taxes, subject to any  
1-33 constitutional limitation; or

1-34 (3) pledge any combination of revenue and taxes  
1-35 described by Subdivisions (1) and (2).

1-36 (c) Any election required to permit action under Subsection  
1-37 (b) must be held in conformance with the Election Code or other law  
1-38 applicable to the municipality.

1-39 (d) A municipality that issues bonds under this section may  
1-40 exercise any of the rights and powers granted to the governing body  
1-41 of an issuer under Chapter 1371.

1-42 (e) A bond issued under this section must mature not later  
1-43 than 40 years after its date of issuance.

1-44 (f) This section is wholly sufficient authority for the  
1-45 issuance of bonds, the pledge of revenues, taxes, or any  
1-46 combination of revenues and taxes, and the performance of other  
1-47 acts and procedures authorized by this section by a municipality  
1-48 without reference to any other provision of law or any restriction  
1-49 or limitation contained in those provisions, except as specifically  
1-50 provided by this section. To the extent of any conflict or  
1-51 inconsistency between this section and any other law, this section  
1-52 shall prevail and control. A municipality may use any law not in  
1-53 conflict with this section to the extent convenient or necessary to  
1-54 carry out any power or authority, expressed or implied, granted by  
1-55 this section.

1-56 SECTION 2. This Act takes effect immediately if it receives  
1-57 a vote of two-thirds of all the members elected to each house, as  
1-58 provided by Section 39, Article III, Texas Constitution. If this  
1-59 Act does not receive the vote necessary for immediate effect, this  
1-60 Act takes effect September 1, 2007.

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