

## **BILL ANALYSIS**

S.B. 1876  
By: Nelson  
Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The 77th Legislature, Regular Session, 2001, enacted legislation that enabled Denton County to create a coordinated county transportation authority, Denton County Transportation Authority (DCTA) under Chapter 460, Transportation Code, provisions governing a coordinated county transportation authority. As DCTA expands its public transportation services in Denton County, it needs access to the same resources available to other transportation services in the Dallas-Fort Worth area, such as the Dallas Area Rapid Transit and the Fort Worth Transportation Authority. This bill clarifies certain conditions under which DCTA may finance projects.

S.B. 1876 prohibits a bond with a maturity period of five years or longer that is secured by a pledge of sales and use tax revenues from being issued by a coordinated county transportation authority without the approval of voters in the municipalities in which the authority has been authorized to impose a sales and use tax. The bill authorizes an authority to mortgage any part of the public transportation system regardless of when acquired and to issue obligations and enter into credit agreements and redefines public securities "issuer" to include a coordinated county transportation authority.

### **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**

S.B. 1876 amends the Transportation Code to specify that an election required to be held to obtain voter approval of a coordinated county transportation authority's proposed issue of certain bonds having a maturity date of five years or longer from the date of issuance must be held in the municipalities in which the authority has been authorized to impose a sales and use tax. The bill removes the condition that the proposition proposing the issue requiring voter approval be approved in accordance with provisions established for the authorization of a tax levy by the authority. The bill establishes that the election and voter approval requirements do not apply to the issuance of refunding bonds or bonds for the creation or funding of self-insurance or retirement or pension fund reserves.

S.B. 1876 clarifies that the coordinated county transportation authority's authorization to mortgage any part of the public transportation system to secure the payment of its bonds applies to a system or part of a system regardless of when the system or part is acquired. The bill authorizes an authority to issue obligations and enter into credit agreements.

S.B. 1876 amends the Government Code to make a conforming change relating to the coordinated county transportation authority's authorization to issue obligations by including a coordinated county transportation authority within the definition of "issuer" in the state law authorizing governmental bodies to issue, sell, and deliver obligations for certain public improvements.

S.B. 1876 establishes that any act or proceeding of a coordinated county transportation authority is validated as of the date it occurred and that the provisions of the bill do not validate any governmental act or proceeding that, under state law at the time the act or proceeding occurred, was a misdemeanor offense or a felony offense.

**EFFECTIVE DATE**

September 1, 2009.