

1-1 By: Merritt, et al. (Senate Sponsor - Carona) H.B. No. 3650
1-2 (In the Senate - Received from the House May 11, 2009;
1-3 May 11, 2009, read first time and referred to Committee on
1-4 Transportation and Homeland Security; May 22, 2009, reported
1-5 favorably, as amended, by the following vote: Yeas 7, Nays 2;
1-6 May 22, 2009, sent to printer.)

1-7 COMMITTEE AMENDMENT NO. 1 By: Carona

1-8 Amend H.B. No. 3650 (engrossed version) as follows:

1-9 (1) In SECTION 1 of the bill, at the end of added Subchapter
1-10 A, Chapter 175, Transportation Code (page 1, between lines 61 and
1-11 62), add:

1-12 Sec. 175.002. ACTIVITIES OF HIGH-SPEED RAIL LOCAL
1-13 GOVERNMENT CORPORATION UNAFFECTED. An authority created and
1-14 operating under this chapter may not interfere or compete with,
1-15 obstruct, delay, or compromise the activities, goals, and
1-16 objectives of a local government corporation created to facilitate,
1-17 analyze, develop, maintain, and implement high-speed passenger
1-18 rail generally along the federally designated routes.

1-19 (2) In SECTION 1 of the bill, strike added Section 175.152,
1-20 Transportation Code (page 2, lines 49-67), and substitute:

1-21 Sec. 175.152. GENERAL POWERS OF AUTHORITY. An authority
1-22 has all the powers necessary or convenient to carry out the purposes
1-23 of this chapter.

1-24 A BILL TO BE ENTITLED
1-25 AN ACT

1-26 relating to the creation, administration, powers, duties,
1-27 operations, and financing of a border region higher-speed rail
1-28 authority for the Texas-Louisiana and the Texas-Mexico border
1-29 regions; granting the power to issue bonds; imposing a tax;
1-30 granting the power of eminent domain.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Subtitle I, Title 5, Transportation Code, is
1-33 amended by adding Chapter 175 to read as follows:

1-34 CHAPTER 175. BORDER REGION HIGHER-SPEED RAIL AUTHORITIES

1-35 SUBCHAPTER A. GENERAL PROVISIONS

1-36 Sec. 175.001. DEFINITIONS. In this chapter:

1-37 (1) "Authority" means a border region higher-speed
1-38 rail authority created under this chapter.

1-39 (2) "Authority property" means all property an
1-40 authority owns or leases under a long-term lease.

1-41 (3) "Board" means an authority's board of directors.

1-42 (4) "Border region" means the Texas-Louisiana border
1-43 region or the Texas-Mexico border region, as defined by Section
1-44 2056.002, Government Code.

1-45 (5) "Commission" means the Texas Transportation
1-46 Commission.

1-47 (6) "Department" means the Texas Department of
1-48 Transportation.

1-49 (7) "Director" means a board member.

1-50 (8) "Higher-speed rail" means the rail technology that
1-51 permits the operation of rolling stock between scheduled stops at
1-52 speeds greater than 70 miles per hour but less than 110 miles per
1-53 hour.

1-54 (9) "Higher-speed rail facility" means any property
1-55 necessary for the transportation of passengers and baggage between
1-56 points in a border region by higher-speed rail. The term includes
1-57 rolling stock, locomotives, stations, parking areas, and rail
1-58 lines.

1-59 (10) "System" means all of the higher-speed rail and
1-60 intermodal facilities leased or owned by or operated on behalf of an
1-61 authority.

1-62 [Sections 175.002-175.050 reserved for expansion]

2-1 SUBCHAPTER B. CREATION

2-2 Sec. 175.051. CREATION OF AUTHORITIES. The commission by
 2-3 order may authorize the creation of an authority in each border
 2-4 region for the purposes of financing, acquiring property for,
 2-5 constructing, maintaining, operating, and improving a higher-speed
 2-6 rail system in each border region.

2-7 [Sections 175.052-175.100 reserved for expansion]

2-8 SUBCHAPTER C. GOVERNANCE

2-9 Sec. 175.101. COMPOSITION OF BOARDS. (a) The governing
 2-10 body of an authority in the Texas-Louisiana border region is a board
 2-11 of seven directors consisting of:

2-12 (1) the county judges of the five most populous
 2-13 counties in the region; and

2-14 (2) two directors selected by the county judges to
 2-15 represent the remaining counties in the region.

2-16 (b) The governing body of an authority in the Texas-Mexico
 2-17 border region is a board of 11 directors consisting of:

2-18 (1) the county judges of the seven most populous
 2-19 counties in the region; and

2-20 (2) four directors selected by the county judges to
 2-21 represent the remaining counties in the region.

2-22 Sec. 175.102. PRESIDING OFFICER. (a) The directors shall
 2-23 elect one director as presiding officer.

2-24 (b) The presiding officer may select another director to
 2-25 preside in the absence of the presiding officer.

2-26 Sec. 175.103. MEETINGS. The presiding officer shall call
 2-27 at least one meeting of the board each year and may call other
 2-28 meetings as the presiding officer determines are appropriate.

2-29 Sec. 175.104. COMPENSATION; REIMBURSEMENT. A director is
 2-30 not entitled to compensation for serving as a director but is
 2-31 entitled to reimbursement for reasonable expenses incurred while
 2-32 serving as a director.

2-33 Sec. 175.105. RULES FOR PROCEEDINGS. The board shall adopt
 2-34 rules for its proceedings and appoint an executive committee.

2-35 Sec. 175.106. EMPLOYEES. The board may employ and
 2-36 compensate persons to carry out the powers and duties of the
 2-37 authority.

2-38 Sec. 175.107. CONFLICTS OF INTEREST. Chapter 171, Local
 2-39 Government Code, applies to a director.

2-40 [Sections 175.108-175.150 reserved for expansion]

2-41 SUBCHAPTER D. POWERS AND DUTIES OF AUTHORITY

2-42 Sec. 175.151. NATURE OF AUTHORITY. (a) An authority is a
 2-43 public body and a political subdivision of the state exercising
 2-44 public and essential governmental functions.

2-45 (b) An authority, in the exercise of powers under this
 2-46 chapter, is performing only governmental functions and is a
 2-47 governmental unit within the meaning of Chapter 101, Civil Practice
 2-48 and Remedies Code.

2-49 Sec. 175.152. GENERAL POWERS OF AUTHORITY. An authority
 2-50 has all the powers necessary or convenient to carry out the purposes
 2-51 of this chapter, including authority to:

2-52 (1) plan and develop a high-speed rail facility under
 2-53 the authority in this chapter;

2-54 (2) solicit federal funding to be allocated to the
 2-55 authority for the purposes of this chapter;

2-56 (3) coordinate with federal planners and
 2-57 representatives from adjacent states for the interconnectivity of
 2-58 high-speed rail systems in this state with systems developed in
 2-59 federally designated high-speed rail corridors in other states;

2-60 (4) represent and negotiate on behalf of the authority
 2-61 for the interconnectivity of high-speed rail with existing and
 2-62 planned transportation systems, including airports, seaports,
 2-63 transit systems, commuter rail systems, and highways; and

2-64 (5) coordinate with federal transportation planners
 2-65 and officials at the United States Department of Defense or its
 2-66 successor agency regarding issues related to the provision of
 2-67 connectivity to military installations in this state.

2-68 Sec. 175.153. SUNSET REVIEW. An authority is subject every
 2-69 12th year to review under Chapter 325, Government Code (Texas

3-1 Sunset Act).

3-2 Sec. 175.154. SUITS. (a) An authority may:

3-3 (1) sue and be sued;

3-4 (2) institute and prosecute suits without giving
3-5 security for costs; and

3-6 (3) appeal from a judgment without giving a
3-7 supersedeas or cost bond.

3-8 (b) An action at law or in equity against an authority must
3-9 be brought in the county in which a principal office of the
3-10 authority is located, except that in an eminent domain proceeding
3-11 involving an interest in land, suit must be brought in the county in
3-12 which the land is located.

3-13 Sec. 175.155. POWERS RELATED TO DISTRICT PROPERTY. An
3-14 authority may acquire by grant, purchase, gift, devise, lease, or
3-15 otherwise and may hold, use, sell, lease, or dispose of real and
3-16 personal property, licenses, patents, rights, and interests
3-17 necessary, convenient, or useful for the full exercise of its
3-18 powers.

3-19 Sec. 175.156. GENERAL AUTHORITY OVER HIGHER-SPEED RAIL
3-20 FACILITIES. An authority may acquire, construct, develop, own,
3-21 operate, maintain, and improve intermodal and higher-speed rail
3-22 facilities to connect political subdivisions in the applicable
3-23 border region.

3-24 Sec. 175.157. USE AND ALTERATION OF PROPERTY OF ANOTHER
3-25 POLITICAL SUBDIVISION. (a) For a purpose described by Section
3-26 175.156, as necessary or useful in the construction,
3-27 reconstruction, repair, maintenance, operation, and improvement of
3-28 the system, and with the consent of a municipality, county, or other
3-29 political subdivision, an authority may:

3-30 (1) use streets, alleys, roads, highways, and other
3-31 public ways of the municipality, county, or other political
3-32 subdivision; and

3-33 (2) relocate, raise, reroute, change the grade of, or
3-34 alter, at the authority's expense, the construction of any publicly
3-35 owned or privately owned street, alley, highway, road, railroad,
3-36 electric line or facility, telegraph or telephone property and
3-37 facility, pipeline or facility, conduit or facility, and other
3-38 property.

3-39 (b) An authority may not use or alter:

3-40 (1) a road or highway that is part of the state highway
3-41 system without the permission of the commission; or

3-42 (2) a railroad without permission of the railroad.

3-43 Sec. 175.158. ACQUISITION OF PROPERTY. (a) An authority
3-44 may purchase any interest in real property to acquire, construct,
3-45 operate, or improve a higher-speed rail facility on terms and at a
3-46 price to which the authority and the owner agree.

3-47 (b) The governing body of a municipality, a county, any
3-48 other political subdivision, or a public agency may convey the
3-49 title or the rights and easements to any property needed by an
3-50 authority for its purposes in connection with the acquisition,
3-51 construction, operation, or improvement of the system.

3-52 Sec. 175.159. EMINENT DOMAIN. (a) An authority may
3-53 exercise the power of eminent domain to acquire:

3-54 (1) real property in fee simple; or

3-55 (2) an interest in real property less than fee simple
3-56 in, on, under, or above land, including an easement, right-of-way,
3-57 or right of use of airspace or subsurface space.

3-58 (b) The power of eminent domain under this section does not
3-59 apply to:

3-60 (1) land under the jurisdiction of the department; or

3-61 (2) a rail line owned by a common carrier or
3-62 municipality.

3-63 (c) To the extent possible, an authority shall use existing
3-64 rail or intermodal transportation corridors for the alignment of
3-65 its system.

3-66 (d) An eminent domain proceeding is begun by the board's
3-67 adoption of a resolution declaring that the authority's acquisition
3-68 of the property or interest described in the resolution:

3-69 (1) is a public necessity; and

4-1 (2) is necessary and proper for the construction,
 4-2 extension, improvement, or development of higher-speed rail
 4-3 facilities and is in the public interest.

4-4 (e) The resolution is conclusive evidence of the public
 4-5 necessity of the proposed acquisition and that the real property or
 4-6 interest in property is necessary for public use.

4-7 (f) With the consent of the property owner, instead of
 4-8 paying for real property with a single fixed payment, an authority
 4-9 may pay the owner in the form of:

4-10 (1) an intangible legal right to receive a percentage
 4-11 of identified fees related to the applicable segment of the system;
 4-12 or

4-13 (2) an exclusive or nonexclusive right to use or
 4-14 operate a part of the system.

4-15 Sec. 175.160. AGREEMENTS WITH OTHER ENTITIES FOR JOINT USE.
 4-16 An authority may:

4-17 (1) make agreements with a public utility, private
 4-18 utility, communication system, common carrier, state agency, or
 4-19 transportation system for the joint use of facilities,
 4-20 installations, or properties inside or outside the border region;
 4-21 and

4-22 (2) establish through routes and joint fares.

4-23 Sec. 175.161. RULES. To protect the health, safety, and
 4-24 general welfare of residents of the border region and people who use
 4-25 the authority's services, an authority may adopt rules to govern
 4-26 the operation of the authority, its employees, the system, service
 4-27 provided by the authority, and any other necessary matter
 4-28 concerning its purposes, including rules relating to health,
 4-29 safety, food service, and telephone and utility services. The
 4-30 acquisition, taxation, sale, and service of alcoholic beverages in
 4-31 or on any of the authority's system, high-speed rail facilities,
 4-32 rolling stock, and intermodal facilities shall comply in all
 4-33 respects with the provisions of the Texas Alcoholic Beverage Code,
 4-34 the rules of the Alcoholic Beverage Commission, and Chapter 183,
 4-35 Tax Code.

4-36 Sec. 175.162. JOINT OWNERSHIP AGREEMENTS. An authority may
 4-37 enter into a joint ownership agreement with any person.

4-38 Sec. 175.163. COMPENSATION FOR USE OF SYSTEM FACILITIES.

4-39 (a) An authority shall establish and maintain reasonable and
 4-40 nondiscriminatory rates or other compensation for the use of the
 4-41 facilities of the system acquired, constructed, operated,
 4-42 regulated, or maintained by the authority.

4-43 (b) Together with grants received by the authority, the
 4-44 rates or other compensation must be sufficient to produce revenues
 4-45 adequate to:

4-46 (1) pay all expenses necessary for the operation and
 4-47 maintenance of the properties and facilities of the authority;

4-48 (2) pay the interest on and principal of bonds issued
 4-49 by the authority and payable in whole or in part from the revenues,
 4-50 as they become due and payable; and

4-51 (3) comply with the terms of an agreement made with the
 4-52 holders of bonds or with any person in their behalf.

4-53 Sec. 175.164. AGREEMENTS GENERALLY. An authority may make
 4-54 contracts, leases, and agreements with, and accept grants and loans
 4-55 from, the United States, this state, agencies and political
 4-56 subdivisions of this state or another state of the United States,
 4-57 the United Mexican States, or a state of the United Mexican States,
 4-58 and other persons and entities and may perform any act necessary for
 4-59 the full exercise of the powers vested in it.

4-60 Sec. 175.165. INTERLOCAL AGREEMENTS WITH COMMISSION. The
 4-61 commission may enter into an interlocal agreement with an authority
 4-62 under which the authority may exercise a power or duty of the
 4-63 commission for the development and efficient operation of an
 4-64 intermodal corridor in the applicable border region.

4-65 Sec. 175.166. ACQUISITION OF ROLLING STOCK AND OTHER
 4-66 PROPERTY. An authority may acquire rolling stock or other property
 4-67 under conditional sales contracts, leases, equipment trust
 4-68 certificates, or any other form of contract or trust agreement.

4-69 Sec. 175.167. LIMIT ON POWER. A revenue bond indenture may

5-1 limit the exercise of the powers granted by this subchapter, and a
 5-2 limit applies as long as the revenue bonds issued under the
 5-3 indenture are outstanding and unpaid.

5-4 Sec. 175.168. RULES GOVERNING SYSTEM AND ROUTINGS. An
 5-5 authority by resolution may adopt rules governing the use,
 5-6 operation, and maintenance of the system and may determine all
 5-7 routings and change them as the board considers advisable.

5-8 Sec. 175.169. OPERATION OR USE CONTRACTS. (a) An authority
 5-9 may:

5-10 (1) lease all or part of the higher-speed rail
 5-11 facilities to an operator; or

5-12 (2) contract for the use or operation of all or part of
 5-13 the higher-speed rail facilities by an operator.

5-14 (b) To the maximum extent practicable, an authority shall
 5-15 encourage the participation of private enterprise in the operation
 5-16 of higher-speed rail facilities.

5-17 (c) The term of an operating contract under this section may
 5-18 not exceed 20 years.

5-19 Sec. 175.170. RAIL TRANSPORTATION SERVICES AGREEMENTS WITH
 5-20 OTHER POLITICAL SUBDIVISIONS. (a) Except as provided in
 5-21 Subsection (b), an authority may contract with a county or other
 5-22 political subdivision of this state for the authority to provide
 5-23 higher-speed rail transportation services to an area outside the
 5-24 border region on the terms and conditions to which the parties
 5-25 agree.

5-26 (b) An authority may not undertake any project or provide
 5-27 any services, or contract to undertake any project or provide any
 5-28 services, in an area that includes a county with a population of 3.3
 5-29 million or more and any county adjacent to that county if the area
 5-30 is served by a district created under Chapter 171, unless the
 5-31 district and the authority enter into a written agreement
 5-32 specifying the terms and conditions under which the project or
 5-33 services will be undertaken or provided.

5-34 [Sections 175.171-175.200 reserved for expansion]

5-35 SUBCHAPTER E. FINANCIAL PROVISIONS

5-36 Sec. 175.201. PURCHASE OF ADDITIONAL INSURED PROVISIONS.
 5-37 An authority may purchase an additional insured provision to any
 5-38 liability insurance contract.

5-39 Sec. 175.202. FISCAL YEAR. Unless the board changes the
 5-40 fiscal year, the fiscal year of an authority ends September 30.

5-41 Sec. 175.203. ANNUAL BUDGET. (a) Before beginning the
 5-42 operation of higher-speed rail facilities, the board shall adopt an
 5-43 annual operating budget specifying the authority's anticipated
 5-44 revenues and expenses for the remainder of the fiscal year. The
 5-45 board shall adopt an operating budget for each succeeding fiscal
 5-46 year.

5-47 (b) The board shall hold a public hearing before adopting a
 5-48 budget other than the initial budget. Notice of each hearing must
 5-49 be published at least seven days before the date of the hearing in a
 5-50 newspaper of general circulation in each county in the applicable
 5-51 border region.

5-52 (c) A budget may be amended at any time if notice of the
 5-53 proposed amendment is given in the notice of the meeting.

5-54 (d) An expenditure that is not budgeted may not be made.

5-55 Sec. 175.204. RETIREMENT BENEFITS. An authority is
 5-56 eligible to participate in the Texas County and District Retirement
 5-57 System.

5-58 Sec. 175.205. DEPOSITORY. (a) The board by resolution
 5-59 shall name one or more banks for the deposit of authority funds.

5-60 (b) Authority funds are public funds and may be invested in
 5-61 securities permitted by Chapter 2256, Government Code.

5-62 (c) To the extent funds of an authority are not insured by
 5-63 the Federal Deposit Insurance Corporation or its successor, they
 5-64 shall be collateralized in the manner provided for county funds.

5-65 Sec. 175.206. AGREEMENTS RELATED TO FOREIGN AND DOMESTIC
 5-66 CURRENCY. (a) To provide tax benefits to another party that are
 5-67 available with respect to property under the laws of a foreign
 5-68 country or to encourage private investment with a transportation
 5-69 authority in the United States, and notwithstanding any other

6-1 provision of this chapter, an authority may enter into and execute,
 6-2 as it considers appropriate, contracts, agreements, notes,
 6-3 security agreements, conveyances, bills of sale, deeds, leases as
 6-4 lessee or lessor, and currency hedges, swap transactions, or
 6-5 agreements relating to foreign and domestic currency.

6-6 (b) The agreements or instruments may have the terms,
 6-7 maturities, duration, provisions as to governing law, indemnities,
 6-8 and other provisions that are approved by the board.

6-9 (c) In connection with any transaction authorized by this
 6-10 section, the authority shall deposit in trust, escrow, or similar
 6-11 arrangement cash or lawful investments or securities, or shall
 6-12 enter into one or more payment agreements, financial guarantees, or
 6-13 insurance contracts that, by their terms, including interest to be
 6-14 earned on any cash or securities, are sufficient in amount to pay
 6-15 when due all amounts required to be paid by the authority as rent
 6-16 over the full term of the transaction plus any optional purchase
 6-17 price due under the transaction. A counterparty to a payment
 6-18 agreement, financial guarantee, or insurance contract under this
 6-19 subsection must have either a corporate credit or debt rating in any
 6-20 form, a claims-paying ability, or a rating for financial strength
 6-21 of "AA" or better by Moody's Investors Service, Inc., or by Standard
 6-22 & Poor's Corporation or "A-" or better by BEST's rating system.

6-23 (d) A certification in advance by an independent financial
 6-24 expert, banker, or certified public accountant, who is not an
 6-25 employee of the authority, certifying compliance with this
 6-26 requirement constitutes conclusive evidence of compliance.
 6-27 Property sold, acquired, or otherwise transferred under this
 6-28 section is considered for all purposes to be property owned and held
 6-29 by the authority and used for public purposes.

6-30 [Sections 175.207-175.300 reserved for expansion]

6-31 SUBCHAPTER F. BONDS

6-32 Sec. 175.301. REVENUE BONDS. An authority may issue
 6-33 revenue bonds and notes in amounts the board considers necessary or
 6-34 appropriate for the acquisition, purchase, construction,
 6-35 reconstruction, repair, equipping, improvement, or extension of
 6-36 the authority's higher-speed rail facilities.

6-37 Sec. 175.302. SECURITY FOR PAYMENT OF BONDS. (a) To secure
 6-38 the payment of a bond or note, an authority may:

6-39 (1) encumber and pledge all or any part of the revenues
 6-40 of its higher-speed rail facilities;

6-41 (2) mortgage and encumber all or part of the property
 6-42 of the higher-speed rail facilities and any thing pertaining to
 6-43 them that is acquired or to be acquired; and

6-44 (3) prescribe the terms and provisions of the bond or
 6-45 note in any manner not inconsistent with this chapter.

6-46 (b) Unless prohibited by the resolution or indenture
 6-47 relating to outstanding bonds or notes, an authority may encumber
 6-48 separately any item of property.

6-49 Sec. 175.303. BONDS AND NOTES AS AUTHORIZED INVESTMENTS AND
 6-50 SECURITY FOR DEPOSITS OF PUBLIC FUNDS. (a) Bonds and notes are
 6-51 legal and authorized investments for:

6-52 (1) a bank;

6-53 (2) a trust company;

6-54 (3) a savings and loan association; and

6-55 (4) an insurance company.

6-56 (b) The bonds and notes are:

6-57 (1) eligible to secure the deposit of public funds of
 6-58 this state or a municipality, county, school district, or other
 6-59 political corporation or subdivision of this state; and

6-60 (2) lawful and sufficient security for the deposits to
 6-61 the extent of the principal amount or market value of the bonds and
 6-62 notes, whichever is less.

6-63 Sec. 175.304. AWARDED CONSTRUCTION OR PURCHASE CONTRACTS.

6-64 (a) A contract in the amount of more than \$15,000 for the
 6-65 construction of improvements or the purchase of material,
 6-66 machinery, equipment, supplies, or any other property other than
 6-67 real property may be let only through competitive bidding after
 6-68 notice is published, at least 15 days before the date set for
 6-69 receiving bids, in a newspaper of general circulation in each

7-1 county in the applicable border region.

7-2 (b) The board may adopt rules governing the taking of bids
7-3 and the awarding of contracts.

7-4 (c) This section does not apply to:

7-5 (1) personal or professional services;

7-6 (2) the acquisition of an existing rail transportation
7-7 system; or

7-8 (3) a contract with a common carrier to construct
7-9 lines or to operate higher-speed rail service on lines wholly or
7-10 partly owned by the carrier.

7-11 [Sections 175.305-175.350 reserved for expansion]

7-12 SUBCHAPTER G. TAXES

7-13 Sec. 175.351. TAX EXEMPTION. Authority property, material
7-14 purchases, revenues, and income and the interest on a bond or note
7-15 issued by an authority are exempt from all taxes imposed by this
7-16 state or a political subdivision of this state.

7-17 Sec. 175.352. SALES AND USE TAX IMPOSED. A sales and use
7-18 tax is imposed on items sold on authority property.

7-19 Sec. 175.353. TAX RATE. The sales and use tax imposed under
7-20 Section 175.352 shall be imposed at the rate of the highest
7-21 combination of local sales and use taxes imposed at the time of the
7-22 authority's creation in any local governmental jurisdiction in the
7-23 applicable border region.

7-24 Sec. 175.354. ABOLITION OF OTHER TAXES. All other local
7-25 sales and use taxes that would otherwise be imposed on authority
7-26 property are abolished by the imposition of the tax under Section
7-27 175.352.

7-28 Sec. 175.355. DUTY OF COMPTROLLER. The comptroller shall:

7-29 (1) administer, collect, and enforce the tax imposed
7-30 under Section 175.352; and

7-31 (2) remit to the authority the local sales and use tax
7-32 collected on the authority's property.

7-33 Sec. 175.356. APPLICABILITY OF TAX CODE. Chapter 321, Tax
7-34 Code, governs the computation, administration, governance, and use
7-35 of the tax except as inconsistent with this chapter.

7-36 Sec. 175.357. NOTICE TO COMPTROLLER. (a) An authority shall
7-37 notify the comptroller in writing by registered or certified mail
7-38 of the authority's creation and of its intent to impose the sales
7-39 and use tax under Section 175.352.

7-40 (b) The authority shall provide to the comptroller all
7-41 information required to implement the tax, including:

7-42 (1) an adequate map showing the property boundaries of
7-43 the authority; and

7-44 (2) a certified copy of the resolution of the
7-45 authority board adopting the tax.

7-46 (c) Not later than the 30th day after the date the
7-47 comptroller receives the notice, map, and other information, the
7-48 comptroller shall inform the authority of whether the comptroller
7-49 is prepared to administer the tax.

7-50 Sec. 175.358. NOTICE TO LOCAL GOVERNMENTS. At the same time
7-51 an authority notifies the comptroller under Section 175.357, the
7-52 authority shall:

7-53 (1) notify each affected local governmental unit of
7-54 the authority's creation; and

7-55 (2) provide each with an adequate map showing the
7-56 property boundaries of the authority.

7-57 Sec. 175.359. ACQUISITION OF ADDITIONAL TERRITORY SUBJECT
7-58 TO TAX. (a) Not later than the 30th day after the date an authority
7-59 adds territory to the authority, the authority shall notify the
7-60 comptroller and each affected local governmental unit of the
7-61 addition.

7-62 (b) The authority must include with each notification:

7-63 (1) an adequate map showing the new boundaries of the
7-64 authority; and

7-65 (2) the date the additional territory was added.

7-66 (c) Not later than the 30th day after the date the
7-67 comptroller receives the notice under this section, the comptroller
7-68 shall inform the authority of whether the comptroller is prepared
7-69 to administer the tax imposed under Section 175.352 in the

8-1 additional territory.

8-2 Sec. 175.360. EFFECTIVE DATE OF TAX. A tax imposed under
8-3 Section 175.352 or the abolition of a tax under Section 175.354
8-4 takes effect on the first day of the first complete calendar quarter
8-5 that occurs after the expiration of the first complete calendar
8-6 quarter that occurs after the date the comptroller receives a
8-7 notice of the action as required by this subchapter.

8-8 SECTION 2. This Act takes effect September 1, 2009.

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