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S.B. No. 263

A BILL TO BE ENTITLED

AN ACT

relating to the issuance by the Texas Transportation Commission of
general obligation bonds for highway improvement projects.

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

SECTION 1. Subchapter A, Chapter 222, Transportation Code,
is amended by adding Section 222.004 to read as follows:

Sec. 222.004. ISSUANCE OF GENERAL OBLIGATION BONDS FOR
HIGHWAY IMPROVEMENT PROJECTS. (a) In this section:

(1) "Bonds" means bonds, notes, and other public
securities.

(2) "Credit agreement" has the meaning assigned by
Section 1371.001, Government Code.

(3) "Improvement" includes acquisition of the
highway, construction, reconstruction, and major maintenance,
including any necessary design, and the acquisition of
rights-of-way.

(b) The commission by order or resolution may issue general
obligation bonds for the purposes provided in this section. The
aggregate principal amount of the bonds that are issued may not
exceed the amount specified by Section 49-p(a), Article III, Texas
Constitution.

(c) The commission may enter into credit agreements
relating to the bonds. A credit agreement entered into under this
section may be secured by and payable from the same sources as the

1 bonds.

2 (d) The bonds shall be executed in the form, on the terms,
3 and in the denominations, bear interest, and be issued in
4 installments as prescribed by the commission, and must mature not
5 later than 30 years after their dates of issuance, subject to any
6 refundings or renewals. The bonds may be issued in multiple series
7 and issues from time to time and may have the provisions the
8 commission determines appropriate and in the interest of the state.

9 (e) The commission has all powers necessary or appropriate
10 to carry out this section and to implement Section 49-p, Article
11 III, Texas Constitution, including the powers granted to other
12 bond-issuing governmental agencies and units and to nonprofit
13 corporations by Chapters 1201, 1207, and 1371, Government Code.

14 (f) The bonds and the record of proceedings authorizing the
15 bonds and any related credit agreements shall be submitted to the
16 attorney general for approval as to their legality. If the attorney
17 general finds that they will be issued in accordance with this
18 section and other applicable law, the attorney general shall
19 approve them, and, after payment by the purchasers of the
20 obligations in accordance with the terms of sale and after
21 execution and delivery of the related credit agreements, the
22 obligations and related credit agreements are incontestable for any
23 cause.

24 (g) Bonds may be issued for one or more of the following
25 purposes:

26 (1) to pay all or part of the costs of highway
27 improvement projects;

1 (2) to pay:

2 (A) the costs of administering projects
3 authorized under this section;

4 (B) the cost or expense of the issuance of the
5 bonds; or

6 (C) all or part of a payment owed or to be owed
7 under a credit agreement; and

8 (3) to provide money for deposit in the Texas
9 Transportation Revolving Fund or similar revolving fund authorized
10 by law, to be used for the purpose of making loans for highway
11 improvement projects as provided by law.

12 (h) The proceeds from the issuance and sale of the bonds may
13 not be expended or used for the purposes authorized under this
14 section unless those proceeds have been appropriated by the
15 legislature.

16 (i) The comptroller shall pay the principal of the bonds as
17 they mature and the interest as it becomes payable and shall pay any
18 cost related to the bonds that becomes due, including payments
19 under credit agreements.

20 SECTION 2. This Act does not make an appropriation. This
21 Act takes effect only if a specific appropriation for the
22 implementation of the Act is provided in a general appropriations
23 act of the 81st Legislature.

24 SECTION 3. Except as provided by Section 2 of this Act, this
25 Act takes effect immediately if it receives a vote of two-thirds of
26 all the members elected to each house, as provided by Section 39,
27 Article III, Texas Constitution. If this Act does not receive the

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1 vote necessary for immediate effect, this Act takes effect
2 September 1, 2009, except as provided by Section 2 of this Act.