

By: Carona, et al.

S.B. No. 263

Substitute the following for S.B. No. 263:

By: Pickett

C.S.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. 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 the design of a highway, the acquisition of a highway, the construction of a highway, the major maintenance of a highway, and the acquisition of highway rights-of-way.

(b) The commission by order or resolution may issue general obligation bonds for the purposes stated in this section. The aggregate principal amount of the bonds 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 bonds.

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

9 (e) The commission has any power necessary or appropriate to
10 carry out this section or to implement Section 49-p, Article III,
11 Texas Constitution, including each power granted to other
12 governmental units or agencies authorized to issue bonds or to a
13 nonprofit corporation by Chapter 1201, 1207, or 1371, Government
14 Code.

15 (f) The bonds, the record of the proceedings that authorize
16 the bonds, and any related credit agreement shall be submitted to
17 the attorney general for approval as to their legality. If the
18 attorney general finds that the bonds will be issued in accordance
19 with this section and other applicable law, the attorney general
20 shall approve the bonds. After payment by the purchasers of the
21 bonds in accordance with the terms of sale and the execution and
22 delivery of any related credit agreement, the bonds and the related
23 credit agreement are incontestable for any 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 a highway
27 improvement project;

1 (2) to pay:

2 (A) the costs of administering a project
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;

8 (3) to provide money for deposit to the credit of the
9 Texas Transportation Revolving Fund or a similar revolving fund
10 authorized by law, to be used to make loans for highway improvement
11 projects as provided by law; and

12 (4) to provide money to be used to finance projects
13 authorized by Section 222.104.

14 (h) Proceeds from the sale of the bonds may not be spent or
15 used for a purpose authorized by this section unless the
16 legislature has appropriated the proceeds.

17 (i) Ten percent of the proceeds from the sale of the bonds
18 must be used for the sole purpose of financing projects authorized
19 by Section 222.104. Bond proceeds dedicated by this subsection
20 shall be deposited to the credit of a separate account in the
21 general revenue fund created for the deposit of money to be used to
22 finance projects authorized by Section 222.104.

23 (j) The comptroller shall pay the principal of the bonds as
24 the bonds mature and the interest as it becomes payable and shall
25 pay any cost related to the bonds that becomes due, including a
26 payment under a credit agreement.

27 (k) The commission shall make a good faith effort to recruit

1 individuals who are in the private sector and described by Section
2 201.403 to underwrite the issuance of bonds under this section.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2009.