

By: Carona

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) The commission may issue general obligation bonds to fund state highway improvement projects.

(b) 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 proceeds of the bonds may not be used for any purpose other than the payment of any costs related to the bonds and the purposes for which revenues are dedicated under Section 7-a, Article VIII, Texas Constitution.

(d) The commission may enter into credit agreements, as defined by Chapter 1371, Government Code, relating to the bonds. The agreements may be secured by and payable from the same sources as the bonds.

(e) All laws affecting the issuance of bonds and other public securities by governmental entities, including Chapters 1201, 1202, 1204, 1207, 1231, and 1371, Government Code, apply to

1 the issuing of bonds and the entering into of credit agreements
2 under this section.

3 (f) The proceeds of the bonds may be used to:

4 (1) finance other funds relating to the bonds,
5 including debt service reserve and contingency; and

6 (2) pay the expense of the issuance of the bonds.

7 (g) The bonds may be sold in the manner and subject to the
8 terms and provisions provided by the order authorizing their
9 issuance. The bonds must mature not later than 30 years after their
10 dates of issuance, subject to any refunding or renewal.

11 (h) The comptroller shall pay the principal of the bonds as
12 they mature and the interest as it becomes payable and shall pay any
13 costs related to the bonds that become due, including payments
14 under credit agreements.

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