

1-1 By: Carona, Zaffirini S.B. No. 263  
1-2 (In the Senate - Filed November 12, 2008; February 11, 2009,  
1-3 read first time and referred to Committee on Finance;  
1-4 April 17, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 17, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 263 By: Lucio

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the issuance by the Texas Transportation Commission of  
1-11 general obligation bonds for highway improvement projects.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter A, Chapter 222, Transportation Code,  
1-14 is amended by adding Section 222.004 to read as follows:

1-15 Sec. 222.004. ISSUANCE OF GENERAL OBLIGATION BONDS FOR  
1-16 HIGHWAY IMPROVEMENT PROJECTS. (a) In this section:

1-17 (1) "Bonds" means bonds, notes, and other public  
1-18 securities.

1-19 (2) "Credit agreement" has the meaning assigned by  
1-20 Section 1371.001, Government Code.

1-21 (3) "Improvement" includes acquisition of the  
1-22 highway, construction, reconstruction, and major maintenance,  
1-23 including any necessary design, and the acquisition of  
1-24 rights-of-way.

1-25 (b) The commission by order or resolution may issue general  
1-26 obligation bonds for the purposes provided in this section. The  
1-27 aggregate principal amount of the bonds that are issued may not  
1-28 exceed the amount specified by Section 49-p(a), Article III, Texas  
1-29 Constitution.

1-30 (c) The commission may enter into credit agreements  
1-31 relating to the bonds. A credit agreement entered into under this  
1-32 section may be secured by and payable from the same sources as the  
1-33 bonds.

1-34 (d) The bonds shall be executed in the form, on the terms,  
1-35 and in the denominations, bear interest, and be issued in  
1-36 installments as prescribed by the commission, and must mature not  
1-37 later than 30 years after their dates of issuance, subject to any  
1-38 refundings or renewals. The bonds may be issued in multiple series  
1-39 and issues from time to time and may have the provisions the  
1-40 commission determines appropriate and in the interest of the state.

1-41 (e) The commission has all powers necessary or appropriate  
1-42 to carry out this section and to implement Section 49-p, Article  
1-43 III, Texas Constitution, including the powers granted to other  
1-44 bond-issuing governmental agencies and units and to nonprofit  
1-45 corporations by Chapters 1201, 1207, and 1371, Government Code.

1-46 (f) The bonds and the record of proceedings authorizing the  
1-47 bonds and any related credit agreements shall be submitted to the  
1-48 attorney general for approval as to their legality. If the attorney  
1-49 general finds that they will be issued in accordance with this  
1-50 section and other applicable law, the attorney general shall  
1-51 approve them, and, after payment by the purchasers of the  
1-52 obligations in accordance with the terms of sale and after  
1-53 execution and delivery of the related credit agreements, the  
1-54 obligations and related credit agreements are incontestable for any  
1-55 cause.

1-56 (g) Bonds may be issued for one or more of the following  
1-57 purposes:

1-58 (1) to pay all or part of the costs of highway  
1-59 improvement projects;

1-60 (2) to pay:  
1-61 (A) the costs of administering projects

1-62 authorized under this section;

1-63 (B) the cost or expense of the issuance of the

2-1 bonds; or  
2-2 (C) all or part of a payment owed or to be owed  
2-3 under a credit agreement; and

2-4 (3) to provide money for deposit in the Texas  
2-5 Transportation Revolving Fund or similar revolving fund authorized  
2-6 by law, to be used for the purpose of making loans for highway  
2-7 improvement projects as provided by law.

2-8 (h) The proceeds from the issuance and sale of the bonds may  
2-9 not be expended or used for the purposes authorized under this  
2-10 section unless those proceeds have been appropriated by the  
2-11 legislature.

2-12 (i) The comptroller shall pay the principal of the bonds as  
2-13 they mature and the interest as it becomes payable and shall pay any  
2-14 cost related to the bonds that becomes due, including payments  
2-15 under credit agreements.

2-16 SECTION 2. This Act takes effect immediately if it receives  
2-17 a vote of two-thirds of all the members elected to each house, as  
2-18 provided by Section 39, Article III, Texas Constitution. If this  
2-19 Act does not receive the vote necessary for immediate effect, this  
2-20 Act takes effect September 1, 2009.

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