

A BILL TO BE ENTITLED

AN ACT

relating to the pledge of certain revenue of a regional transportation authority to the payment of bonds.

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

SECTION 1. Subsection (a), Section 452.357, Transportation Code, is amended to read as follows:

(a) To secure the payment of an authority's bonds, the authority may:

(1) pledge all or part of revenue realized from any tax that the authority may impose;

(2) pledge any part of the revenue of the public transportation system;

(3) mortgage any part of the public transportation system, including any part of the system subsequently acquired; ~~and~~

(4) pledge all or part of funds the federal government has committed to the authority as grants in aid; and

(5) provide that a pledge of revenue described by Subdivision (1) or (2) is a first lien or charge against that revenue.

SECTION 2. Section 452.358, Transportation Code, is amended to read as follows:

Sec. 452.358. USE [PLEDGE] OF REVENUE [LIMITED]. Revenue in excess of amounts pledged under Section 452.357(a)(1) or (2)

1 shall be used to:

2 (1) pay the ~~[The]~~ expenses of operation and
3 maintenance of a public transportation system, including salaries,
4 labor, materials, and repairs necessary to provide efficient
5 service and every other proper item of expense; and

6 (2) fund operating reserves ~~[, are a first lien and~~
7 ~~charge against any revenue of a public transportation system that~~
8 ~~is encumbered under this chapter].~~

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