

By: Nelson

S.B. No. 1876

A BILL TO BE ENTITLED

AN ACT

relating to the administration and powers of a coordinated county transportation authority.

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

SECTION 1. Section 460.502, Transportation Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) A bond any portion of which is secured by a pledge of sales and use tax revenues and that has a maturity of five years or longer from the date of issuance may not be issued by an authority until an election has been held in the municipalities in which the authority has been authorized to impose a sales and use tax and the proposition proposing the issue has been approved by a majority of the votes received on the issue [~~in accordance with the provisions established for the authorization of a tax levy under Subchapter e~~].

(e) Subsection (d) does not apply to the issuance of refunding bonds or bonds described by Subsection (b)(2).

SECTION 2. Section 460.506, Transportation Code, is amended to read as follows:

Sec. 460.506. SECURITY PLEDGED. To secure the payment of an authority's bonds, the authority may:

(1) pledge all or part of revenue realized from any tax that is approved and levied;

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

3 (3) mortgage any part of the public transportation
4 system regardless of when acquired; or

5 (4) pledge government grants, contractual revenue, or
6 lease revenue.

7 SECTION 3. Subchapter G, Chapter 460, Transportation Code,
8 is amended by adding Section 460.509 to read as follows:

9 Sec. 460.509. OBLIGATIONS AND CREDIT AGREEMENTS. An
10 authority may issue obligations and enter into credit agreements
11 under Chapter 1371, Government Code.

12 SECTION 4. Section 1371.001(4), Government Code, is amended
13 to read as follows:

14 (4) "Issuer" means:

15 (A) a home-rule municipality that:

16 (i) adopted its charter under Section 5,
17 Article XI, Texas Constitution;

18 (ii) has a population of 50,000 or more; and

19 (iii) has outstanding long-term
20 indebtedness that is rated by a nationally recognized rating agency
21 for municipal securities in one of the four highest rating
22 categories for a long-term obligation;

23 (B) a conservation and reclamation district
24 created and organized as a river authority under Section 52,
25 Article III, or Section 59, Article XVI, Texas Constitution;

26 (C) a joint powers agency organized and operating
27 under Chapter 163, Utilities Code;

1 (D) a metropolitan rapid transit authority, ~~[or]~~
2 regional transportation authority, or coordinated county
3 transportation authority created, organized, or ~~[and]~~ operating
4 under Chapter 451, ~~[or]~~ 452, or 460, Transportation Code;

5 (E) a conservation and reclamation district
6 organized or operating as a navigation district under Section 52,
7 Article III, or Section 59, Article XVI, Texas Constitution;

8 (F) a district organized or operating under
9 Section 59, Article XVI, Texas Constitution, that has all or part of
10 two or more municipalities within its boundaries;

11 (G) a state agency, including a state institution
12 of higher education;

13 (H) a hospital authority created or operating
14 under Chapter 262 or 264, Health and Safety Code, in a county that:

15 (i) has a population of more than 3.3
16 million; or

17 (ii) is included, in whole or in part, in a
18 standard metropolitan statistical area of this state that includes
19 a county with a population of more than 2.2 million;

20 (I) a hospital district in a county that has a
21 population of more than two million;

22 (J) a nonprofit corporation organized to
23 exercise the powers of a higher education loan authority under
24 Section 53B.47(e), Education Code;

25 (K) a county:

26 (i) that has a population of 3.3 million or
27 more; or

1 (ii) that, on the date of issuance of
2 obligations under this chapter, has authorized, outstanding, or any
3 combination of authorized and outstanding, indebtedness of at least
4 \$100 million secured by and payable from the county's ad valorem
5 taxes and the authorized long-term indebtedness of which is rated
6 by a nationally recognized rating agency of securities issued by
7 local governments in one of the four highest rating categories for a
8 long-term obligation;

9 (L) an independent school district that has an
10 average daily attendance of 50,000 or more as determined under
11 Section 42.005, Education Code;

12 (M) a municipality or county operating under
13 Chapter 334, Local Government Code;

14 (N) a district created under Chapter 335, Local
15 Government Code;

16 (O) a junior college district that has a total
17 headcount enrollment of 40,000 or more based on enrollment in the
18 most recent regular semester; or

19 (P) an issuer, as defined by Section 1201.002,
20 that has:

21 (i) a principal amount of at least \$100
22 million in outstanding long-term indebtedness, in long-term
23 indebtedness proposed to be issued, or in a combination of
24 outstanding or proposed long-term indebtedness; and

25 (ii) some amount of long-term indebtedness
26 outstanding or proposed to be issued that is rated in one of the
27 four highest rating categories for long-term debt instruments by a

1 nationally recognized rating agency for municipal securities,
2 without regard to the effect of any credit agreement or other form
3 of credit enhancement entered into in connection with the
4 obligation.

5 SECTION 5. (a) Any act or proceeding of a coordinated county
6 transportation authority is validated as of the date it occurred.

7 (b) This Act does not validate any governmental act or
8 proceeding that, under the law of this state at the time the act or
9 proceeding occurred, was a misdemeanor offense or a felony offense.

10 SECTION 6. This Act takes effect September 1, 2009.