

BILL ANALYSIS

H.B. 1112
By: Phillips
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows a regional mobility authority (RMA) to study, evaluate, design, finance, acquire, construct, maintain, repair, and operate a transportation project. Interested parties contend that the powers and duties of an RMA set out in the law need to be refined and updated. H.B. 1112 seeks to revise the applicable provisions relating to the authority and powers of an RMA.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1112 amends the Transportation Code to redefine "surplus revenue" for purposes of provisions relating to the use of surplus revenue by a regional mobility authority to include an authority's payment obligations under a contract or agreement authorized by the Regional Mobility Authority Act. The bill adds payment obligations of an authority under an authorized contract or agreement to the costs of a transportation project for purposes of provisions relating to the definition of construction costs. The bill authorizes a contract or agreement relating to a transportation project to contain terms and conditions as may be approved by an authority, including payment obligations of the entity and the authority. The bill authorizes an agreement between an authority and a governmental entity to contain repayment or reimbursement obligations of the authority. The bill authorizes an authority to enter into any contract, loan agreement, or other agreement, rather than any agreement, to achieve the purposes of provisions relating to participation in financing, construction, and operation of a transportation project. The bill repeals a provision requiring a participation agreement between a local government and a private entity to be approved by the Texas Department of Transportation (TxDOT). The bill makes provisions relating to a lien established in connection with a bond apply to a lien established in connection with an authorized contract or agreement. The bill adds payment obligations of an authority under an authorized contract or agreement to the costs that revenue generated from an authority's transportation project must pay. The bill authorizes an authority to pledge all or any part of its revenues and any other funds available to the authority to the payment of any obligations of the authority under an authorized contract or agreement.

H.B. 1112 makes provisions relating to expenditures for feasibility studies, to a feasibility study fund, and to a feasibility study by a municipality, county, other governmental entity, or private group apply to paying the expenses of studying the cost and feasibility of a transportation project and the design and engineering of a transportation project. The bill creates an exception for transportation projects that are or become part of a transportation system under provisions of law to the requirement that money spent on feasibility studies for a proposed transportation project be reimbursed to the transportation project from which the money was spent from the proceeds of bonds issued for the acquisition and construction of the proposed project. The bill specifies that the authority of a governmental entity to issue bonds, notes, or other obligations or enter into

and make payments under agreements with an authority is in connection with the financing, acquisition, construction, or operation of a transportation project by an authority, rather than to acquire, construct, maintain, or operate a transportation project. The bill removes the exception for a nonprofit corporation from the authority to issue obligations and make payments in connection with a transportation project. The bill authorizes a governmental entity, to the extent constitutionally permitted, to agree with an authority to create a transportation reinvestment zone and to collect and remit to an authority taxes, fees, or assessments collected for purposes of developing transportation projects. The bill authorizes the entity to provide, under the agreement, for a means to pledge funds for a transportation project. The bill redefines "transportation project" to include a parking area, structure, or facility, or a collection device for parking fees, and improvements in a transportation reinvestment zone designated under state law.

H.B. 1112 authorizes an authority, in order to pay expenses relating to the preparation and issuance of bonds for a proposed transportation project, to pledge to the payment of the bonds or a loan agreement the proceeds from the sale of other bonds. The bill adds bond proceeds to the revenue sources for paying the principal of, interest on, and any redemption premium on bonds issued by an authority. The bill requires a copy of any bond resolution to be maintained in the regular records of the authority, replacing a provision specifying that a bond resolution is not required to be recorded except in the regular records of the authority. The bill authorizes an authority to use money in an authority revolving fund to issue bonds for any purpose authorized by the Regional Mobility Authority Act.

H.B. 1112, in provisions relating to actions that a regional mobility authority may take through its board, authorizes an authority to participate in the state travel management program administered by the comptroller of public accounts for the purpose of obtaining reduced airline fares and reduced travel agent fees, provided that the comptroller may charge the authority a fee not to exceed the costs incurred by the comptroller in providing services to the authority. The bill extends an authority's authority to borrow money from or enter into a loan agreement or other arrangement to include an arrangement with TxDOT, the Texas Transportation Commission, or any other public or private entity. The bill establishes that an authority has the same powers and duties as TxDOT, a county toll project entity, and a regional tollway authority with regard to its toll collection and enforcement powers for its turnpike projects or other toll projects developed, financed, constructed, and operated under an agreement with the authority or another entity. The bill requires the appointment of additional directors from a county subsequently added to an authority to be appointed by a process unanimously agreed to by the commissioners courts of all the counties of the authority. The bill requires the appointment of directors from a county of an authority that contains an operating transportation project to also be made by such a process, rather than by appointment of one additional director from the county unless the commissioners courts of the other counties of the authority unanimously agree otherwise. The bill makes nonsubstantive and conforming changes.

H.B. 1112 repeals Section 370.317(d), Transportation Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.