

## **BILL ANALYSIS**

C.S.H.B. 2396  
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Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas law authorizes an advanced transportation district created under provisions of law relating to metropolitan rapid transit authorities to issue bonds at any time and for any amounts the district considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its transit authority system. The district's governing body, by resolution, may authorize the issuance of bonds payable solely from revenue. C.S.H.B. 2396 seeks to make changes relating to the pledge of advanced transportation district sales and use taxes to certain bonds.

### **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**

C.S.H.B. 2396 amends the Transportation Code to increase from 700,000 to 1.3 million the population of the principal municipality of a rapid transit authority in which the board of the authority is authorized to order an election to create an advanced transportation district within the authority's boundaries and to impose a sales tax for advanced transportation and mobility enhancement. The bill authorizes the governing body of an advanced transportation district, without the necessity of an election specifically concerning the matter, to pledge the sales and use tax proceeds allocated for advanced transportation purposes from a sales tax imposed by an election held after May 21, 1999, to one or more series of sales tax revenue bonds issued by the authority.

### **EFFECTIVE DATE**

September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2396 contains a provision not included in the original increasing the population of the principal municipality of a rapid transit authority in which the board of the authority is authorized to order an election to create an advanced transportation district and to impose a sales tax for advanced transportation and mobility enhancement.

C.S.H.B. 2396 differs from the original by authorizing the governing body of an advanced transportation district to pledge the sales and use tax proceeds allocated for advanced transportation purposes from a sales tax imposed by an election held after May 21, 1999, to one or more series of sales tax revenue bonds issued by the authority, whereas the original authorizes the governing body to use sales and use tax proceeds for the purposes set forth in statutory provisions requiring a district to use half of the proceeds for advanced transportation purposes as determined by the governing body of the district.

C.S.H.B. 2396 omits provisions included in the original authorizing an advanced transportation district to issue bonds without holding an election to authorize that action and making the authorization an exception to statutory provisions establishing that a district has the same powers as the authority that called an election creating the district.

C.S.H.B. 2396 differs from the original by making the bill's provisions effective September 1, 2011, whereas the original makes the bill's provisions effective on passage or, if it does not receive the necessary vote, September 1, 2011.