

BILL ANALYSIS

S.B. 888
By: Carona
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, local governmental entities such as cities, counties, hospital districts, hospital authorities, and navigation districts are authorized to form local government corporations (LGC) to accomplish any governmental purpose of the local government entity. LGCs can fund transportation, water and sewer infrastructure, economic development ventures, and other projects that will benefit the public. For transportation improvements, Chapter 431 (Texas Transportation Corporation Act), Transportation Code, sets specific guidelines for the creation and operation of transportation LGCs within the state. These entities are formed specifically to promote and develop transportation facilities and systems.

Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority (The T), regional transportation authorities created under Chapter 452 (Regional Transportation Authorities), Transportation Code, do not currently have this authority. Providing this authority to DART and The T will allow them flexibility to provide expanded transit services and facilities in the north central Texas region, to improve the efficiency and transparency of delivering public transit, and to reduce the timeframe for the implementation of transit projects.

LGCs could be utilized by DART and The T, for example, for the purpose of establishing a contract bus, rail, or other mode of service program in jurisdictions not within the DART or The T service areas under terms and conditions that would assure that the capital and operating costs of such services would be borne exclusively by the participating non-DART and non-The T city jurisdictions. LGCs could also issue debt for the purpose of obtaining necessary equipment or constructing necessary capital improvements while the obligation for the repayment of such debt would be the sole responsibility of the LGC and not DART or The T. LGCs could also be used to advance public-private partnerships for the design, construction, operation, and maintenance of rail projects with a private vendor. Creation of an LGC would allow for the efficiency of a single entity to deal with all of the entities involved in a multi-jurisdictional project.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

S.B. 888 Amends Section 431.003(3), Transportation Code, to redefine "local government" to include, for purposes of Subchapter D (Local Government Corporations), a navigation district, hospital district, or hospital authority, or a regional transportation authority as described by Section 452.001 (Definitions).

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.