

BILL ANALYSIS

C.S.H.B. 2423
By: Martinez, "Mando"
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns that certain counties near both the Gulf of Mexico and the Texas-Mexico border lack a regional transit authority to aid in creating, developing, and maintaining means of public transit. Interested parties note that such authorities have been formed in other areas of the state and have proved essential in providing efficient transportation services to the public. With reports indicating that these counties are growing at some of the fastest rates in the country, the parties contend that there is an immediate need for regional oversight and coordination of public transit services. C.S.H.B. 2423 seeks to address this issue in order to provide for a united, comprehensive effort in the development and sustainability of regional public transit services in the area.

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. 2423 amends the Transportation Code to authorize the creation of a regional transit authority in a county that is contiguous to the Gulf of Mexico or a bay or inlet opening into the gulf and that borders the United Mexican States and a county that borders such a county. The bill provides for creation of an authority by means of a resolution or order adopted by the board of directors of the regional planning commission established for the area of the authority and a confirmation election submitted to the qualified voters of each county in the authority. The bill provides for management of a confirmed authority by an executive committee composed of the board of directors of the regional planning commission established for the area of the authority. The bill establishes that officers elected by the commission's board of directors serve as the officers of the executive committee.

C.S.H.B. 2423 authorizes a regional transit authority to operate a public transportation system, including a light rail mass transit system constructed by the authority. The bill authorizes an authority to coordinate the provision of transportation services with a municipality and include the services provided by the municipality in the authority's service plan. The bill authorizes an authority to issue bonds and collect fares and other charges. The bill authorizes an authority to exercise the power of eminent domain under certain circumstances. The bill requires, among other provisions, the location of a station or terminal complex in a municipality or in the extraterritorial jurisdiction of a municipality to be approved by the municipality.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

83R 27190

13.123.966

Substitute Document Number: 83R 23360

While C.S.H.B. 2423 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle K, Title 6, Transportation Code, is amended by adding Chapter 463 to read as follows:

CHAPTER 463. REGIONAL TRANSIT AUTHORITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 463.001. DEFINITIONS.

Sec. 463.002. APPLICATION.

Sec. 463.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION SERVICES. This chapter does not prohibit a municipality from providing public transportation services.

SUBCHAPTER B. POWERS OF AUTHORITIES

Sec. 463.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY.

Sec. 463.052. NATURE OF AUTHORITY.

Sec. 463.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY.

Sec. 463.054. GENERAL POWERS OF AUTHORITY.

Sec. 463.055. CONTRACTS; GRANTS AND LOANS.

Sec. 463.056. OPERATION OF PUBLIC TRANSPORTATION SYSTEM.

Sec. 463.057. ACQUISITION OF PROPERTY BY AGREEMENT.

Sec. 463.058. USE AND ACQUISITION OF PROPERTY OF OTHERS.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle K, Title 6, Transportation Code, is amended by adding Chapter 463 to read as follows:

CHAPTER 463. REGIONAL TRANSIT AUTHORITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 463.001. DEFINITIONS.

Substantially the same as introduced version.

Sec. 463.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION SERVICES. This chapter does not prohibit a municipality from providing public transportation services within its boundaries. An authority may coordinate the provision of services with the municipality and include the services provided by the municipality in the authority's service plan.

SUBCHAPTER B. POWERS OF AUTHORITIES

Sec. 463.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY.

Sec. 463.052. NATURE OF AUTHORITY.

Sec. 463.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY.

Sec. 463.054. GENERAL POWERS OF AUTHORITY.

Sec. 463.055. CONTRACTS; GRANTS AND LOANS.

Sec. 463.056. OPERATION OF PUBLIC TRANSPORTATION SYSTEM.

Sec. 463.057. ACQUISITION OF PROPERTY BY AGREEMENT.

Sec. 463.058. USE AND ACQUISITION OF PROPERTY OF OTHERS.

Sec. 463.059. EMINENT DOMAIN PROCEEDINGS.

Sec. 463.060. AGREEMENT WITH UTILITIES; CARRIERS.

Sec. 463.061. FARES AND OTHER CHARGES. (a) An authority shall impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the public transportation system sufficient to produce revenue, together with tax revenue and grants received by the authority, in an amount adequate to:

(1) pay all expenses necessary to operate and maintain the public transportation system;

(2) pay when due the principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the authority and payable wholly or partly from the revenue; and

(3) fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.

(b) It is intended by this chapter that the compensation imposed under Subsection (a) and taxes imposed by the authority not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.

(c) Compensation for the use of the public transportation system may be set according to a zone system or to another classification that the authority determines to be reasonable.

(d) This section does not limit the state's power to regulate taxes imposed by an authority or other compensation authorized under this section. The state agrees with holders of bonds issued under this chapter, however, not to alter the power given to an authority under this section to impose taxes, fares, tolls, charges, rents, and other compensation in amounts sufficient to comply with Subsection (a), or to impair the rights and remedies of an authority bondholder, or a person acting on behalf of a bondholder, until the bonds, interest on the bonds, interest on unpaid installments of interest, costs and expenses in connection

Sec. 463.059. EMINENT DOMAIN PROCEEDINGS.

Sec. 463.060. AGREEMENT WITH UTILITIES; CARRIERS.

Sec. 463.061. FARES AND OTHER CHARGES. (a) An authority shall impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the public transportation system sufficient to produce revenue, together with grants received by the authority, in an amount adequate to:

(1) pay all expenses necessary to operate and maintain the public transportation system;

(2) pay when due the principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the authority and payable wholly or partly from the revenue; and

(3) fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.

(b) It is intended by this chapter that the compensation imposed under Subsection (a) not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.

(c) Compensation for the use of the public transportation system may be set according to a zone system or to another classification that the authority determines to be reasonable.

(d) The state agrees with holders of bonds issued under this chapter not to alter the power given to an authority under this section to impose fares, tolls, charges, rents, and other compensation in amounts sufficient to comply with Subsection (a), or to impair the rights and remedies of an authority bondholder, or a person acting on behalf of a bondholder, until the bonds, interest on the bonds, interest on unpaid installments of interest, costs and expenses in connection with an action or proceeding by or on behalf of a bondholder, and other obligations of the authority in connection with the bonds are discharged.

with an action or proceeding by or on behalf of a bondholder, and other obligations of the authority in connection with the bonds are discharged.

Sec. 463.062. ENFORCEMENT OF FARES AND OTHER CHARGES.

Sec. 463.063. FARE ENFORCEMENT OFFICERS.

Sec. 463.064. ENFORCEMENT OF HIGH OCCUPANCY VEHICLE LANE USAGE.

Sec. 463.065. INSURANCE.

Sec. 463.066. TAX EXEMPTION.

Sec. 463.067. LIGHT RAIL SYSTEM: REGULATORY EXEMPTION.

Sec. 463.068. ELECTIONS.

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

Sec. 463.101. EXECUTIVE COMMITTEE: POWERS.

Sec. 463.102. INVESTMENTS.

Sec. 463.103. DEPOSITORY; DEPOSIT OF FUNDS.

Sec. 463.104. CHIEF EXECUTIVE: DUTIES.

Sec. 463.105. RULES.

Sec. 463.106. PURCHASES: COMPETITIVE BIDDING.

Sec. 463.107. DURATION OF CONTRACTS. An authority may contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by any method, including:

- (1) committing current year funds, **future tax revenues**, or cancellation charges; and
- (2) making the contract subject to the future availability of funds.

Sec. 463.062. ENFORCEMENT OF FARES AND OTHER CHARGES.

Sec. 463.063. FARE ENFORCEMENT OFFICERS.

Sec. 463.064. ENFORCEMENT OF HIGH OCCUPANCY VEHICLE LANE USAGE.

Sec. 463.065. INSURANCE.

Sec. 463.066. TAX EXEMPTION.

Sec. 463.067. LIGHT RAIL SYSTEM: REGULATORY EXEMPTION.

Substantially the same as introduced version.

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

Sec. 463.101. EXECUTIVE COMMITTEE: POWERS.

Sec. 463.102. INVESTMENTS.

Sec. 463.103. DEPOSITORY; DEPOSIT OF FUNDS.

Sec. 463.104. CHIEF EXECUTIVE: DUTIES.

Sec. 463.105. RULES.

Sec. 463.106. PURCHASES: COMPETITIVE BIDDING.

Sec. 463.107. DURATION OF CONTRACTS. An authority may contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by any method, including:

- (1) committing current year funds or cancellation charges; and
- (2) making the contract subject to the future availability of funds.

Sec. 463.108. SECURITY.

Sec. 463.109. BUDGET RECOMMENDATIONS.

Sec. 463.110. FINANCIAL AUDITS.

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Sec. 463.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN.

Sec. 463.152. STATION OR TERMINAL COMPLEX: FACILITIES.

Sec. 463.153. APPROVAL OF MUNICIPALITY.

Sec. 463.154. TRANSFER OF REAL PROPERTY IN STATION OR TERMINAL COMPLEX.

SUBCHAPTER E. BONDS

Sec. 463.201. DEFINITION.

Sec. 463.202. POWER TO ISSUE BONDS. (a) An authority may issue bonds at any time and for any amounts it considers necessary or appropriate for:

(1) the acquisition, construction, repair, equipping, improvement, or extension of its public transportation system; or

(2) creating or funding self-insurance or retirement or pension fund reserves.

(b) A bond any portion of which is secured by a pledge of sales and use tax revenues and that has a maturity longer than five years from the date of issuance may not be issued by an authority until an election has been held and the proposition proposing the issue has been approved by a majority of the votes received on the issue in accordance with Section 463.212.

(c) Subsection (b) does not apply to:

(1) refunding bonds; or

(2) bonds described by Subsection (a)(2).

Sec. 463.203. BOND TERMS.

Sec. 463.205. APPROVAL; REGISTRATION.

Sec. 463.108. SECURITY.

Sec. 463.109. BUDGET RECOMMENDATIONS.

Sec. 463.110. FINANCIAL AUDITS.

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Sec. 463.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN.

Sec. 463.152. STATION OR TERMINAL COMPLEX: FACILITIES.

Sec. 463.153. APPROVAL OF MUNICIPALITY.

Sec. 463.154. TRANSFER OF REAL PROPERTY IN STATION OR TERMINAL COMPLEX.

SUBCHAPTER E. BONDS

Sec. 463.201. DEFINITION.

Sec. 463.202. POWER TO ISSUE BONDS. An authority may issue bonds at any time and for any amounts it considers necessary or appropriate for:

(1) the acquisition, construction, repair, equipping, improvement, or extension of its public transportation system; or

(2) creating or funding self-insurance or retirement or pension fund reserves.

Sec. 463.203. BOND TERMS.

Sec. 463.205. APPROVAL; REGISTRATION.

Sec. 463.206. INCONTESTABILITY.

Sec. 463.207. SECURITY PLEDGED. (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;

(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.

(b) Under Subsection (a)(3) an authority
may, subject to the terms of the bond
indenture or the resolution authorizing the
issuance of the bonds, encumber a separate
item of the public transportation system and
acquire, use, hold, or contract for the
property by lease, chattel mortgage, or other
conditional sale including an equipment
trust transaction.

(c) An authority may not issue bonds
secured by ad valorem tax revenue.

(d) An authority is not prohibited by this
subchapter from encumbering one or more
public transportation systems to purchase,
construct, extend, or repair one or more
other public transportation systems of the
authority.

(e) The authority may pledge funds
described by Subsection (a)(4):

(1) as the sole security for the bonds; or

(2) in addition to any other security
described by this section.

Sec. 463.208. USE OF REVENUE.

Sec. 463.209. REFUNDING BONDS.

Sec. 463.210. BONDS AS AUTHORIZED
INVESTMENTS.

Sec. 463.211. EXCHANGE OF BONDS
FOR EXISTING SYSTEM.

Sec. 463.212. ELECTION TO PLEDGE
TAXES. (a) The executive committee may
order an election to authorize the pledge of

Sec. 463.206. INCONTESTABILITY.

Sec. 463.207. SECURITY PLEDGED. (a)
To secure the payment of an authority's
bonds, the authority may:

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

(2) mortgage any part of the public
transportation system, including any part of
the system subsequently acquired;

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

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

(b) Under Subsection (a)(2) an authority
may, subject to the terms of the bond
indenture or the resolution authorizing the
issuance of the bonds, encumber a separate
item of the public transportation system and
acquire, use, hold, or contract for the
property by lease, chattel mortgage, or other
conditional sale including an equipment
trust transaction.

(c) An authority may not issue bonds
secured by ad valorem tax revenue.

(d) An authority is not prohibited by this
subchapter from encumbering one or more
public transportation systems to purchase,
construct, extend, or repair one or more
other public transportation systems of the
authority.

(e) The authority may pledge funds
described by Subsection (a)(3):

(1) as the sole security for the bonds; or

(2) in addition to any other security
described by this section.

Substantially the same as introduced
version.

Sec. 463.209. REFUNDING BONDS.

Sec. 463.210. BONDS AS AUTHORIZED
INVESTMENTS.

Sec. 463.211. EXCHANGE OF BONDS
FOR EXISTING SYSTEM.

No equivalent provision.

sales and use tax revenue to the payment of a specified amount of long-term bonds for the authority's public transportation system.

(b) Sales and use tax revenue at a rate higher than the previously approved rate may not be pledged.

(c) The notice of election shall be published, the proposition and ballot prepared, and the election held in accordance with and at the times permitted by the law applicable to a municipal bond election. The authority may publish, or distribute in another manner, additional copies of the election order to inform the voters fully of its content.

(d) If the proposition is approved, the authority may issue bonds in an amount not exceeding the amount approved.

Sec. 463.213. TAX EXEMPTION.

SUBCHAPTER F. TAXATION

Sec. 463.251. SALES AND USE TAX. (a) The executive committee may impose for an authority a sales and use tax at the rate of:

- (1) one-quarter of one percent;
- (2) one-half of one percent;
- (3) three-quarters of one percent; or
- (4) one percent.

(b) The imposition of an authority's sales and use tax must be approved at an election under this chapter.

(c) Chapter 322, Tax Code, applies to an authority's sales and use tax.

(d) Except to the extent that a provision of this chapter applies, Chapter 323, Tax Code, applies to the tax authorized by this section in the same manner as that chapter applies to the tax authorized by that chapter.

(e) Sections 323.101(d) and (e) and 323.505, Tax Code, do not apply to the tax authorized by this section.

(f) Revenue from the tax authorized by this section must be spent as follows:

- (1) 50 percent on a light rail mass transit system;
- (2) 30 percent on bus transit; and
- (3) 20 percent on the construction and maintenance of roads in the area of the authority.

Sec. 463.252. RATE INCREASE: SALES AND USE TAX. The executive committee may not increase the tax rate to a rate higher

Sec. 463.212. TAX EXEMPTION.

No equivalent provision.

No equivalent provision.

No equivalent provision.

than the rate approved by the voters at the confirmation election without first receiving a majority vote in favor of the increase at an authority-wide election.

Sec. 463.253. INITIAL SALES TAX: EFFECTIVE DATE. The adoption of or the increase or decrease in the rate of an authority's sales and use tax takes effect on the first day of the second calendar quarter beginning after the date that the comptroller receives a copy of the order required to be sent under Section 463.361.

Sec. 463.254. RATE DECREASE: SALES AND USE TAX. (a) The executive committee by order may direct the comptroller to collect the authority's sales and use tax at a rate that is lower than the rate approved by the voters at the confirmation election.

(b) The executive committee must file a certified copy of the order with the comptroller.

Sec. 463.255. PROPERTY TAXES. An authority may not impose an ad valorem property tax.

SUBCHAPTER G. EXECUTIVE COMMITTEE

Sec. 463.301. COMPOSITION.

Sec. 463.302. OFFICERS. (a) The members of the executive committee shall elect from among its membership a presiding officer, assistant presiding officer, and secretary.

(b) The executive committee may appoint, as necessary, members or nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

(1) keep permanent records of each proceeding and transaction of the authority; and

(2) perform other duties assigned by the executive committee.

Sec. 463.303. CONFLICTS OF INTEREST.

Sec. 463.304. MEETINGS.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SUBCHAPTER F. EXECUTIVE COMMITTEE

Sec. 463.251. COMPOSITION.

Sec. 463.252. OFFICERS. (a) The officers elected by the board of directors of the regional planning commission described by Section 463.251(a) shall serve as the officers of the executive committee.

(b) The executive committee may appoint, as necessary, members or nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

(1) keep permanent records of each proceeding and transaction of the authority; and

(2) perform other duties assigned by the executive committee.

Sec. 463.253. CONFLICTS OF INTEREST.

Sec. 463.254. MEETINGS.

Sec. 463.305. VOTING REQUIREMENTS.

SUBCHAPTER H. CREATION OF AUTHORITIES

Sec. 463.351. CREATION OF AUTHORITY AUTHORIZED. The commissioners courts of the counties to which this chapter applies may agree to initiate the process to create a regional transit authority to provide public transportation services within the boundaries of the counties.

Sec. 463.352. INITIATING ORDER OR RESOLUTION: CONTENTS. To initiate the process of creating an authority, each commissioners court must adopt a resolution or order containing the designation of each time and place for holding public hearings on the proposal to create the authority.

Sec. 463.353. NOTICE OF HEARING. (a) Notice of the time and place of the public hearings on the creation of the authority shall be published, beginning at least 30 days before the date of the hearing, once a week for two consecutive weeks in a newspaper of general circulation in each county.

(b) The commissioners courts shall give a copy of the notice to the Texas Transportation Commission and the comptroller.

Sec. 463.354. CONDUCT OF HEARING. (a) Each commissioners court creating an authority shall conduct public hearings on the creation.

(b) Any person may appear at a hearing and offer evidence on:

- (1) the creation of the authority;
- (2) the operation of a public transportation system;
- (3) the public utility and public interest served in the creation of an authority; or
- (4) other facts bearing on the creation of an authority.

(c) A hearing may be continued until completed.

Sec. 463.355. RESOLUTION OR ORDER.

Sec. 463.255. VOTING REQUIREMENTS.

SUBCHAPTER G. CREATION OF AUTHORITIES

Sec. 463.301. CREATION OF AUTHORITY AUTHORIZED. The board of directors of the regional planning commission established for the area included in the boundaries of the counties to which this chapter applies may initiate the process to create a regional transit authority to provide public transportation services within the boundaries of the counties.

Sec. 463.302. INITIATING ORDER OR RESOLUTION: CONTENTS. To initiate the process of creating an authority, the board of directors described by Section 463.301 must adopt a resolution or order containing the designation of each time and place for holding public hearings on the proposal to create the authority.

Sec. 463.303. NOTICE OF HEARING. (a) Notice of the time and place of the public hearings on the creation of the authority shall be published, beginning at least 30 days before the date of the hearing, once a week for two consecutive weeks in a newspaper of general circulation in each county.

(b) The board of directors described by Section 463.301 shall give a copy of the notice to the Texas Transportation Commission and the comptroller.

Sec. 463.304. CONDUCT OF HEARING. (a) The board of directors described by Section 463.301 creating an authority shall conduct public hearings on the creation.

(b) Any person may appear at a hearing and offer evidence on:

- (1) the creation of the authority;
- (2) the operation of a public transportation system;
- (3) the public utility and public interest served in the creation of an authority; or
- (4) other facts bearing on the creation of an authority.

(c) A hearing may be continued until completed.

Sec. 463.305. RESOLUTION OR ORDER.

(a) After hearing the evidence presented at the hearings, but not earlier than 75 days after the date the process is initiated by the commissioners courts, each commissioners court may adopt a resolution or order:

(1) designating the name of the authority; and

(2) authorizing the appointment of the interim executive committee.

(b) After the hearing, the results of the hearing shall be sent to the Texas Department of Transportation and the comptroller.

Sec. 463.356. INTERIM EXECUTIVE COMMITTEE. (a) The interim executive committee is composed as provided by Section 463.301 for an executive committee except that the interim executive committee must include an additional member who is a member of the board of directors of a commuter rail district described by Chapter 174.

(b) The interim executive committee, after its organization, shall develop a service plan and determine a proposed tax rate.

(c) Service on the interim executive committee by a public officer or employee is an additional duty of the office or employment.

Sec. 463.357. APPROVAL OF SERVICE PLAN AND TAX RATE. Not later than the 45th day after the date the interim executive committee approves the service plan and tax rate, the commissioners court of each county creating an authority must approve, by resolution or order, the service plan and tax rate.

Sec. 463.358. NOTICE OF INTENT TO ORDER ELECTION. Not earlier than the 61st day after the date the interim executive committee approves a service plan and tax rate, the interim executive committee shall notify the commissioners court of each county included in the boundaries of the authority of the interim executive committee's intention to call a confirmation election.

Sec. 463.359. CONFIRMATION ELECTION. (a) The interim executive committee in ordering the confirmation

(a) After hearing the evidence presented at the hearings, but not earlier than 75 days after the date the process is initiated by the board of directors described by Section 463.301, the board may adopt a resolution or order:

(1) designating the name of the authority; and

(2) authorizing the appointment of the interim executive committee.

(b) After the hearing, the results of the hearing shall be sent to the Texas Department of Transportation and the comptroller.

Sec. 463.306. INTERIM EXECUTIVE COMMITTEE. (a) The interim executive committee is composed as provided by Section 463.251 for an executive committee except that the interim executive committee must include an additional member who is a member of the board of directors of a commuter rail district described by Chapter 174.

(b) The interim executive committee, after its organization, shall develop a service plan.

(c) Service on the interim executive committee by a public officer or employee is an additional duty of the office or employment.

Sec. 463.307. APPROVAL OF SERVICE PLAN. Not later than the 45th day after the date the interim executive committee approves the service plan, the commissioners court of each county creating an authority must approve, by resolution or order, the service plan.

Sec. 463.308. NOTICE OF INTENT TO ORDER ELECTION. Not earlier than the 61st day after the date the interim executive committee approves a service plan, the interim executive committee shall notify the commissioners court of each county included in the boundaries of the authority of the interim executive committee's intention to call a confirmation election.

Sec. 463.309. CONFIRMATION ELECTION. The interim executive committee in ordering the confirmation

election shall submit to the qualified voters of each county participating in the election in the authority the following proposition: "Shall the creation of (name of authority) be confirmed and shall the levy of the proposed tax, not to exceed (rate), be authorized?"

(b) In addition to other information required by law, the notice of the election must include a description of the nature and rate of the proposed tax.

Sec. 463.360. CONDUCT OF ELECTION. The executive committee shall canvass the returns and declare the results of the election separately with respect to each county.

Sec. 463.361. RESULTS OF ELECTION; ORDER.

Sec. 463.362. EFFECT OF CREATION.

Sec. 463.363. COST OF ELECTION. The commissioners courts creating an authority shall pay the cost of the confirmation election.

Sec. 463.364. EXPIRATION OF UNCONFIRMED AUTHORITY. An authority that has not been confirmed expires on the third anniversary of the effective date of orders initiating the process to create the authority.

SECTION 2. Section 174.051, Transportation Code, is amended.

SECTION 3. Section 322.001(a), Tax Code, is amended to read as follows:

(a) This chapter applies to the imposition, assessment, collection, administration, and enforcement of a sales and use tax imposed under Chapter 451, 452, 453, ~~460~~, or 463, Transportation Code.

SECTION 4. Section 322.002(1), Tax Code, is amended to read as follows:

(1) "Taxing entity" means a rapid transit authority, a regional transit authority, including a subregional transportation authority, or a municipal mass transit department created under Chapter 451, 452,

election shall submit to the qualified voters of each county in the authority the following proposition: "Shall the creation of (name of authority) be confirmed?"

Sec. 463.310. CONDUCT OF ELECTION. The interim executive committee shall canvass the returns and declare the results of the election separately with respect to each county.

Sec. 463.311. RESULTS OF ELECTION; ORDER.

Sec. 463.312. EFFECT OF CREATION.

Sec. 463.313. COST OF ELECTION. The board of directors described by Section 463.301 creating an authority shall pay the cost of the confirmation election.

Sec. 463.314. EXPIRATION OF UNCONFIRMED AUTHORITY. An authority that has not been confirmed expires on the third anniversary of the effective date of a resolution or order initiating the process to create the authority.

SECTION 2. Same as introduced version.

No equivalent provision.

No equivalent provision.

[~~or~~] 453, or 463, Transportation Code, or a coordinated county transportation authority created under Chapter 460, Transportation Code, that has adopted a sales and use tax under the law authorizing the creation of the entity.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 3. Same as introduced version.