

## **BILL ANALYSIS**

C.S.H.B. 3777  
By: Collier  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Current state law requires the population of a municipality, for purposes of the applicability of laws relating to subregional boards of certain regional transportation authorities, to be determined based on the most recent federal census, unless there has not been a federal census in the preceding five years. If there has not been a census within the preceding five years, the latest population estimate of the appropriate metropolitan planning organization is deemed sufficient. Concerned observers note that the populations of many Texas cities, such as Fort Worth, have increased to such an extent that their respective population estimates soon will exceed the population brackets specified by the statutes under which they currently operate. C.S.H.B. 3777 seeks to allow certain subregional boards to continue operating under the laws that currently apply to them.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 3777 amends the Transportation Code to increase from 800,000 to 1.1 million the population threshold of the principal municipality in a subregion of a regional transportation authority, above which different sets of statutory provisions relating to a subregional board apply, depending on whether the subregion has or does not have a principal municipality with a population above that threshold. The bill specifies that the population in those provisions is the population according to the most recent federal decennial census. The bill increases from nine to 11 the number of board members serving on a subregional board in a subregion having no principal municipality with a population of more than 1.1 million by increasing, when the entire county of the principal municipality is included in the authority, the number of members appointed by each the governing body of the principal municipality and the commissioners court of the county of the principal municipality from four to five and by increasing, when the entirety of such county is not included in the authority, the number of members appointed by the county commissioners court from one to three. The bill increases from nine to 11 the number of members appointed to an interim subregional board of a subregion having no principal municipality with a population of more than 1.1 million.

C.S.H.B. 3777 requires, in a unit of election with a population of less than 10,000 according to the most recent federal decennial census that withdraws from an authority consisting of one subregion that is governed by a subregional board but that has no principal municipality with a

population of more than 1.1 million, title to all real estate in the unit of election owned or partially owned by the authority, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, to immediately vest in the authority. The bill authorizes the authority to continue to use the real estate and improvements in the withdrawn unit of election as may be determined by the authority to be necessary for the continuation of service to other units of election, to satisfy the authority's remaining federal grant obligation for the real estate and improvements, or for the operation of a public transportation system. The bill establishes that an authority is responsible for all operation and maintenance costs of the property and improvements located in the withdrawn unit of election that are so owned or partially owned by the authority.

C.S.H.B. 3777 establishes that certain statutory provisions determining the total financial obligation of a withdrawn unit of election to an applicable authority do not apply in determining the total financial obligation of a withdrawn unit of election to an authority that consists of one subregion governed by a subregional board but having no principal municipality with a population of more than 1.1 million and excludes from the unit's apportioned share of the authority's outstanding obligations any financial, contractual, or other obligations incurred by the authority between the date that an election to withdraw is ordered and the date of the canvass of the election. The bill requires the authority directors who serve as the governing body of the authority to determine the total financial obligation of the withdrawn unit of election not later than the 180th day after the date the election is called. These provisions relating to the total financial obligation of a withdrawn unit of election apply to an election to withdraw that is ordered before, on, or after September 1, 2015, and expire August 31, 2016.

C.S.H.B. 3777 amends the Tax Code to make conforming changes.

#### **EFFECTIVE DATE**

September 1, 2015.

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

While C.S.H.B. 3777 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

##### **INTRODUCED**

No equivalent provision.

##### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 321.101(b), Tax Code, is amended to read as follows:

(b) A municipality that is not disqualified may, by a majority vote of the qualified voters of the municipality voting at an election held for that purpose, adopt an additional sales and use tax for the benefit of the municipality in accordance with this chapter. A municipality is disqualified from adopting the additional sales and use tax if the municipality:

- (1) is included within the boundaries of a rapid transit authority created under Chapter 451, Transportation Code;
- (2) is included within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code,

by a principal municipality having a population of less than 1.1 million according to the most recent federal decennial census [800,000], unless the municipality has a population of 400,000 or more and is located in more than one county;

(3) is wholly or partly located in a county that contains territory within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population in excess of 1.1 million according to the most recent federal decennial census [800,000], unless:

(A) the municipality is a contiguous municipality; or

(B) the municipality is not included within the boundaries of the authority and is located wholly or partly in a county in which fewer than 250 persons are residents of both the county and the authority according to the most recent federal census; or

(C) the municipality is not and on January 1, 1993, was not included within the boundaries of the authority; or

(4) imposes a tax authorized by Chapter 453, Transportation Code.

No equivalent provision.

SECTION 2. Section 321.1025(a), Tax Code, is amended to read as follows:

(a) A municipality that is wholly or partly located in a county that contains territory within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population of more than 1.1 million according to the most recent federal decennial census [800,000] and that has adopted an additional sales and use tax for the benefit of the municipality may hold an election on the question of whether the municipality shall be annexed to the authority.

SECTION 1. Section 452.502(a), Transportation Code, is amended.

SECTION 2. The heading to Subchapter N, Chapter 452, Transportation Code, is amended.

SECTION 3. Section 452.561, Transportation Code, is amended.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

No equivalent provision.

SECTION 6. Sections 452.562(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) A subregional board is composed of 11 ~~nine~~ members.

(b) If the entire county of the principal municipality is included in the authority, the subregional board consists of:

(1) five ~~four~~ members appointed by the governing body of the principal municipality;

(2) five ~~four~~ members appointed by the commissioners court of the county of the principal municipality; and

(3) one member appointed by the governing body of a municipality that is in the authority and has a population of more than 100,000.

(c) If Subsection (b) does not apply, the subregional board shall be appointed as follows:

(1) the commissioners court of the county of the principal municipality shall appoint at least three members ~~one member~~ to represent:

(A) the unincorporated areas and municipalities in the county that are not otherwise represented on the subregional board; and

(B) the municipalities that have entered into a contract with the authority to receive services; and

(2) the remaining members shall be apportioned to the municipalities confirmed as all or part of the subregion according to the ratio that the population of each unit of election bears to the total population of the area confirmed as the subregion.

SECTION 4. The heading to Subchapter O, Chapter 452, Transportation Code, is amended.

SECTION 7. Same as introduced version.

SECTION 5. Section 452.571, Transportation Code, is amended.

SECTION 8. Same as introduced version.

SECTION 6. Sections 452.605(a) and (b), Transportation Code, are amended.

SECTION 9. Same as introduced version.

No equivalent provision.

SECTION 10. Section 452.657, Transportation Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) In a unit of election with a population of less than 10,000 according to the most recent federal decennial census that

withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter N, title to all real estate in the unit of election owned or partially owned by the authority, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, shall immediately vest in the authority, and the authority may continue to use the real estate and improvements in the withdrawn unit of election as may be determined by the authority to be necessary:

(1) for the continuation of service to other units of election;

(2) to satisfy the authority's remaining federal grant obligation for the real estate and improvements; or

(3) for the operation of a public transportation system as provided by Section 452.056(a).

(f) An authority is responsible for all operation and maintenance costs of the property and improvements located in the withdrawn unit of election that are owned or partially owned by the authority as described by Subsection (e).

No equivalent provision.

SECTION 11. Section 452.659, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding any other provision of this chapter, in determining the total financial obligation of a withdrawn unit of election to an authority consisting of one subregion governed by a subregional board created under Subchapter N, Subsection (a)(2) does not apply, and the amounts calculated under Subsection (a)(1) do not include any financial, contractual, or other obligations incurred by the authority between the date that an election to withdraw is ordered and the date of the canvass of the election. The executive committee shall determine the total financial obligation of the withdrawn unit of election not later than the 180th day after the date the election is called. This subsection:

(1) applies to an election to withdraw that is ordered before, on, or after September 1, 2015; and

(2) expires August 31, 2016.

SECTION 7. Section 452.710(b), Transportation Code, is amended to read as follows:

(b) The interim subregional board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [800,000] is composed of nine members appointed as provided by Section 452.562(b).

SECTION 8. Section 452.712(d), Transportation Code, is amended.

SECTION 9. This Act takes effect September 1, 2015.

SECTION 12. Section 452.710(b), Transportation Code, is amended to read as follows:

(b) The interim subregional board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [800,000] is composed of 11 [nine] members appointed as provided by Section 452.562(b).

SECTION 13. Same as introduced version.

SECTION 14. Same as introduced version.