

By: Sanford

H.B. No. 1834

A BILL TO BE ENTITLED

AN ACT

relating to the operation of toll projects.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 228.012(a) and (b), Transportation Code, are amended to read as follows:

(a) The department shall create a separate account in the state highway fund to hold payments received by the department under a comprehensive development agreement [~~and the surplus revenue of a toll project or system~~]. The department shall create subaccounts in the account for each project, system, or region. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount.

(b) The department shall hold money in a subaccount in trust for the benefit of the region in which a project or system is located and may assign the responsibility for allocating money in a subaccount to a metropolitan planning organization in which the region is located for projects approved by the department. At the time the project is approved by the department money shall be allocated and distributed to projects authorized by Section 228.0055 [~~or Section 228.006, as applicable~~].

SECTION 2. Section 228.053(f), Transportation Code, is amended to read as follows:

(f) The revenue and disbursements for each toll project or system shall be kept separately. The revenue from one project may

1 not be used to pay the cost of another project except as authorized
2 by Section [~~Sections~~] 228.0055 [~~and 228.006~~].

3 SECTION 3. Section 228.104(a), Transportation Code, is
4 amended to read as follows:

5 (a) The principal of, interest on, and any redemption
6 premium on bonds issued by the commission under this subchapter are
7 payable solely from:

8 (1) the revenue of the toll project or system for which
9 the bonds are issued, including tolls pledged to pay the bonds;

10 (2) the proceeds of bonds issued for the project or
11 system;

12 (3) the amounts deposited in a debt service reserve
13 fund as required by the trust agreement securing bonds issued for
14 the project or system;

15 (4) amounts received under a credit agreement relating
16 to the project or system for which the bonds are issued; and

17 (5) [~~surplus revenue of another project or system as~~
18 ~~authorized by Section 228.006, and~~

19 [~~(6)~~] amounts received by the department:

20 (A) as pass-through tolls under Section 222.104;

21 (B) under an agreement with a local governmental
22 entity entered into under Section 228.254;

23 (C) under other agreements with a local
24 governmental entity relating to the project or system for which the
25 bonds are issued; and

26 (D) under a comprehensive development agreement
27 entered into under Section 223.201.

1 SECTION 4. Section 228.105, Transportation Code, is amended
2 to read as follows:

3 Sec. 228.105. SOURCES OF PAYMENT OF AND SECURITY FOR TOLL
4 REVENUE BONDS. Notwithstanding any other provisions of this
5 subchapter, toll revenue bonds issued by the commission may:

6 (1) be payable from and secured by:

7 (A) payments made under an agreement with a local
8 governmental entity as provided by Section 228.254;

9 (B) the proceeds of bonds issued for the toll
10 project or system; or

11 (C) amounts deposited in a debt service reserve
12 fund as required by the trust agreement securing bonds issued for
13 the project or system; ~~or~~

14 ~~[(D) surplus revenue of another toll project or~~
15 ~~system as authorized by Section 228.006,] and~~

16 (2) state on their faces any pledge of revenue or taxes
17 and any security for the bonds under the agreement.

18 SECTION 5. Section 366.113(a), Transportation Code, is
19 amended to read as follows:

20 (a) The principal of, interest on, and any redemption
21 premium on bonds issued by an authority are payable solely from:

22 (1) the revenue of the turnpike project or system for
23 which the bonds are issued, including tolls pledged to pay the
24 bonds;

25 (2) payments made under an agreement with the
26 commission or a local governmental entity as provided by Subchapter
27 G;

1 (3) money derived from any other source available to
2 the authority, other than money derived from a turnpike project
3 that is not part of the same system or money derived from a
4 different system[~~, except to the extent that the surplus revenue of~~
5 ~~a turnpike project or system has been pledged for that purpose];~~
6 and

7 (4) amounts received under a credit agreement relating
8 to the turnpike project or system for which the bonds are issued.

9 SECTION 6. Section 370.113(a), Transportation Code, is
10 amended to read as follows:

11 (a) The principal of, interest on, and any redemption
12 premium on bonds issued by an authority are payable solely from:

13 (1) the revenue of the transportation project for
14 which the bonds are issued;

15 (2) payments made under an agreement with the
16 commission, the department, or other governmental entity as
17 authorized by this chapter;

18 (3) money derived from any other source available to
19 the authority, other than money derived from a transportation
20 project that is not part of the same system or money derived from a
21 different system, except to the extent that the surplus revenue of a
22 transportation project or system, other than a turnpike project,
23 has been pledged for that purpose;

24 (4) amounts received under a credit agreement relating
25 to the transportation project for which the bonds are issued; and

26 (5) the proceeds of the sale of other bonds.

27 SECTION 7. Subchapter B, Chapter 372, Transportation Code,

1 is amended by adding Sections 372.054 and 372.055 to read as
2 follows:

3 Sec. 372.054. COUNTY APPROVAL OF TOLL PROJECT REQUIRED.

4 (a) Notwithstanding any other provision of law, a toll project
5 entity may not construct or operate a toll project unless the
6 commissioners court of each county in which a portion of the project
7 is to be located adopts a resolution approving the toll project.

8 (b) A toll project approved under Subsection (a) must
9 include a plan by which, not later than 20 years after the date the
10 project is opened for use, the costs of acquisition and
11 construction of the project have been paid and:

12 (1) all of the bonds and interest on the bonds that are
13 payable from or secured by revenues of the project have been paid by
14 the issuer of the bonds or another person with the consent or
15 approval of the issuer; or

16 (2) a sufficient amount for the payment of all bonds
17 and interest on the bonds to maturity has been set aside by the
18 issuer of the bonds or another person with the consent or approval
19 of the issuer in a trust fund held for the benefit of the
20 bondholders.

21 Sec. 372.055. CESSATION OF TOLLS. (a) A toll project

22 becomes a part of the state highway system and the commission shall
23 maintain the project without tolls beginning on the earlier of:

24 (1) the date that the costs of acquisition and
25 construction of the project have been paid and:

26 (A) all of the bonds and interest on the bonds
27 that are payable from or secured by revenues of the project have

1 been paid by the issuer of the bonds or another person with the
2 consent or approval of the issuer; or

3 (B) a sufficient amount for the payment of all
4 bonds and interest on the bonds to maturity has been set aside by
5 the issuer of the bonds or another person with the consent or
6 approval of the issuer in a trust fund held for the benefit of the
7 bondholders;

8 (2) 20 years after the date any portion of the project
9 is opened for use, for a project for which a contract for financing,
10 construction, or operation is entered into on or after September 1,
11 2015; or

12 (3) September 1, 2047, for a project for which a
13 contract for financing, construction, or operation is entered into
14 before September 1, 2015.

15 (b) A toll project entity may not amend a financing or other
16 agreement in a manner that would extend the date by which a toll
17 project would become part of the state highway system under
18 Subsection (a).

19 SECTION 8. Section 373.003, Transportation Code, is amended
20 to read as follows:

21 Sec. 373.003. PROJECT OWNED IN PERPETUITY. Unless a toll
22 project is leased, sold, conveyed, or otherwise transferred to
23 another governmental entity in accordance with applicable law,
24 including Sections 228.151, 284.011, 366.036, 366.172, ~~and~~
25 370.171, and 372.055, a toll project procured by the department or a
26 local toll project entity determined by the process under
27 Subchapter B is owned by that entity in perpetuity.

1 SECTION 9. The following provisions of the Transportation
2 Code are repealed:

- 3 (1) Section 228.006;
- 4 (2) Section 228.109(d);
- 5 (3) Sections 284.008(c) and (d);
- 6 (4) Section 366.003(9-a);
- 7 (5) Section 366.037; and
- 8 (6) Section 366.175.

9 SECTION 10. Section 372.054, Transportation Code, as added
10 by this Act, applies only to a toll project for which a contract for
11 financing, construction, or operation is entered into on or after
12 the effective date of this Act.

13 SECTION 11. This Act takes effect immediately if it
14 receives a vote of two-thirds of all the members elected to each
15 house, as provided by Section 39, Article III, Texas Constitution.
16 If this Act does not receive the vote necessary for immediate
17 effect, this Act takes effect September 1, 2015.