

SENATE AMENDMENTS

2nd Printing

By: Collier, Capriglione, Klick,
Turner of Tarrant

H.B. No. 3777

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and governance of certain regional
transportation authorities.

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

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 1.1 million according to the most recent federal decennial census
2 ~~[800,000]~~, unless:

3 (A) the municipality is a contiguous
4 municipality; or

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

10 (C) the municipality is not and on January 1,
11 1993, was not included within the boundaries of the authority; or

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

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

16 (a) A municipality that is wholly or partly located in a
17 county that contains territory within the boundaries of a regional
18 transportation authority created under Chapter 452, Transportation
19 Code, by a principal municipality having a population of more than
20 1.1 million according to the most recent federal decennial census
21 ~~[800,000]~~ and that has adopted an additional sales and use tax for
22 the benefit of the municipality may hold an election on the question
23 of whether the municipality shall be annexed to the authority.

24 SECTION 3. Section 452.201(a), Transportation Code, is
25 amended to read as follows:

26 (a) An authority consisting of one subregion governed by a
27 subregional board created under Subchapter N or O may establish a

1 program reasonably designed to increase the participation of
2 minority and women-owned business enterprises in contracts awarded
3 by the authority. If the program is established, the board shall
4 provide a program outlining acceptable assistance to be given
5 minority and women-owned business enterprises in the area served by
6 the authority to achieve the purposes of the program.

7 SECTION 4. Section 452.502(a), Transportation Code, is
8 amended to read as follows:

9 (a) The executive committee of a regional transportation
10 authority confirmed in more than one subregion is composed of 11
11 members selected as follows:

12 (1) seven members from the membership of the
13 subregional board in the subregion that has ~~[containing]~~ a
14 principal municipality with ~~[having]~~ a population of more than 1.1
15 million according to the most recent federal decennial census
16 ~~[800,000]~~; and

17 (2) four members from the membership of the
18 subregional board in the subregion that has no principal
19 municipality with a population of more than 1.1 million according
20 to the most recent federal decennial census ~~[800,000]~~.

21 SECTION 5. The heading to Subchapter N, Chapter 452,
22 Transportation Code, is amended to read as follows:

23 SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO MUNICIPALITY
24 WITH POPULATION OF MORE THAN 1.1 MILLION ~~[800,000]~~

25 SECTION 6. Section 452.561, Transportation Code, is amended
26 to read as follows:

27 Sec. 452.561. APPLICABILITY OF SUBCHAPTER. This subchapter

1 applies only to the board of a subregion that has no principal
2 municipality with a population of more than 1.1 million according
3 to the most recent federal decennial census [~~800,000~~].

4 SECTION 7. Section 452.562, Transportation Code, is amended
5 by amending Subsections (a), (b), and (c) and adding Subsection
6 (c-1) to read as follows:

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

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

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

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

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

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

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

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

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

27 (2) the remaining members shall be apportioned to the

1 municipalities confirmed as all or part of the subregion according
2 to the ratio that the population of each unit of election bears to
3 the total population of the area confirmed as the subregion.

4 (c-1) The voting members of the board shall appoint one or
5 more members of the legislature who represent an area included in
6 the authority to serve, consistent with the Texas Constitution, in
7 advisory positions to the board. A member appointed under this
8 subsection:

9 (1) may not participate in a vote of the board; and

10 (2) is not entitled to receive compensation for
11 service with the board.

12 SECTION 8. The heading to Subchapter O, Chapter 452,
13 Transportation Code, is amended to read as follows:

14 SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL
15 MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION ~~[800,000]~~

16 SECTION 9. Section 452.571, Transportation Code, is amended
17 to read as follows:

18 Sec. 452.571. APPLICABILITY OF SUBCHAPTER. This subchapter
19 applies only to the board of a subregion that has a principal
20 municipality with a population of more than 1.1 million according
21 to the most recent federal decennial census ~~[800,000]~~.

22 SECTION 10. Sections 452.605(a) and (b), Transportation
23 Code, are amended to read as follows:

24 (a) A municipality with ~~[having]~~ a population of at least
25 250,000 according to the most recent ~~[preceding]~~ federal decennial
26 census and located in a county that has no principal municipality
27 with a population of more than 1.1 million ~~[800,000]~~ according to

1 the most recent [~~preceding~~] federal decennial census may join a
2 separate authority by complying with this chapter.

3 (b) If a municipality described by Subsection (a) joins a
4 separate authority and another separate authority is subsequently
5 established in a county that has no principal municipality with a
6 [~~of more than 800,000~~] population of more than 1.1 million
7 according to the most recent [~~preceding~~] federal decennial census,
8 any municipality in that county that has voted to participate with
9 any authority created under this chapter may at the time of the
10 creation of the new authority:

11 (1) remain in the authority that was created first;

12 (2) join the new authority in the county in which the
13 municipality is located; or

14 (3) participate with both authorities.

15 SECTION 11. Section 452.657, Transportation Code, is
16 amended by adding Subsections (e) and (f) to read as follows:

17 (e) In a unit of election with a population of less than
18 10,000 according to the most recent federal decennial census that
19 withdraws from an authority consisting of one subregion governed by
20 a subregional board created under Subchapter N, title to all real
21 estate in the unit of election owned or partially owned by the
22 authority, including improvements made by the authority, except a
23 right-of-way or an improvement to a right-of-way, shall immediately
24 vest in the authority, and the authority may continue to use the
25 real estate and improvements in the withdrawn unit of election as
26 may be determined by the authority to be necessary:

27 (1) for the continuation of service to other units of

1 election;

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

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

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

10 SECTION 12. Section 452.659, Transportation Code, is
11 amended by adding Subsection (e) to read as follows:

12 (e) Notwithstanding any other provision of this chapter, in
13 determining the total financial obligation of a withdrawn unit of
14 election to an authority consisting of one subregion governed by a
15 subregional board created under Subchapter N, Subsection (a)(2)
16 does not apply, and the amounts calculated under Subsection (a)(1)
17 do not include any financial, contractual, or other obligations
18 incurred by the authority between the date that an election to
19 withdraw is ordered and the date of the canvass of the election.
20 The executive committee shall determine the total financial
21 obligation of the withdrawn unit of election not later than the
22 180th day after the date the election is called. This subsection:

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

25 (2) expires August 31, 2016.

26 SECTION 13. Section 452.710(b), Transportation Code, is
27 amended to read as follows:

1 (b) The interim subregional board of a subregion that has no
2 principal municipality with a population of more than 1.1 million
3 according to the most recent federal decennial census [~~800,000~~] is
4 composed of 11 [~~nine~~] members appointed as provided by Section
5 452.562(b).

6 SECTION 14. Section 452.712(d), Transportation Code, is
7 amended to read as follows:

8 (d) In a subregion that has no principal municipality with a
9 population of more than 1.1 million according to the most recent
10 federal decennial census [~~800,000~~], the tax rate must be approved
11 by the commissioners court before the confirmation election.

12 SECTION 15. This Act takes effect September 1, 2015.

ADOPTED

MAY 26 2015

Latoy Spaw
Secretary of the Senate

By: *Kelly Harmon*

H.B. No. 3777

Substitute the following for H.B. No. 3777:

By: *Kelly Harmon*

C.S. H.B. No. 3777

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment and governance of certain regional
3 transportation authorities.

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

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

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

13 (1) is included within the boundaries of a rapid
14 transit authority created under Chapter 451, Transportation Code;

15 (2) is included within the boundaries of a regional
16 transportation authority created under Chapter 452, Transportation
17 Code, by a principal municipality having a population of less than
18 1.1 million according to the most recent federal decennial census
19 [800,000], unless the municipality has a population of 400,000 or
20 more and is located in more than one county;

21 (3) is wholly or partly located in a county that
22 contains territory within the boundaries of a regional
23 transportation authority created under Chapter 452, Transportation
24 Code, by a principal municipality having a population in excess of

1 1.1 million according to the most recent federal decennial census

2 [~~800,000~~], unless:

3 (A) the municipality is a contiguous
4 municipality; or

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

10 (C) the municipality is not and on January 1,
11 1993, was not included within the boundaries of the authority; or

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

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

16 (a) A municipality that is wholly or partly located in a
17 county that contains territory within the boundaries of a regional
18 transportation authority created under Chapter 452, Transportation
19 Code, by a principal municipality having a population of more than
20 1.1 million according to the most recent federal decennial census
21 [~~800,000~~] and that has adopted an additional sales and use tax for
22 the benefit of the municipality may hold an election on the question
23 of whether the municipality shall be annexed to the authority.

24 SECTION 3. Section 452.502(a), Transportation Code, is
25 amended to read as follows:

26 (a) The executive committee of a regional transportation
27 authority confirmed in more than one subregion is composed of 11

1 members selected as follows:

2 (1) seven members from the membership of the
3 subregional board in the subregion that has [~~containing~~] a
4 principal municipality with [~~having~~] a population of more than 1.1
5 million according to the most recent federal decennial census
6 [800,000]; and

7 (2) four members from the membership of the
8 subregional board in the subregion that has no principal
9 municipality with a population of more than 1.1 million according
10 to the most recent federal decennial census [800,000].

11 SECTION 4. The heading to Subchapter N, Chapter 452,
12 Transportation Code, is amended to read as follows:

13 SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO MUNICIPALITY
14 WITH POPULATION OF MORE THAN 1.1 MILLION [800,000]

15 SECTION 5. Section 452.561, Transportation Code, is amended
16 to read as follows:

17 Sec. 452.561. APPLICABILITY OF SUBCHAPTER. This subchapter
18 applies only to the board of a subregion that has no principal
19 municipality with a population of more than 1.1 million according
20 to the most recent federal decennial census [800,000].

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

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

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

26 (1) five [~~four~~] members appointed by the governing
27 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 7. The heading to Subchapter O, Chapter 452, Transportation Code, is amended to read as follows:

SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION [~~800,000~~]

SECTION 8. Section 452.571, Transportation Code, is amended to read as follows:

Sec. 452.571. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has a principal

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2 to the most recent federal decennial census [~~800,000~~].

3 SECTION 9. Sections 452.605(a) and (b), Transportation
4 Code, are amended to read as follows:

5 (a) A municipality with [~~having~~] a population of at least
6 250,000 according to the most recent [~~preceding~~] federal decennial
7 census and located in a county that has no principal municipality
8 with a population of more than 1.1 million [~~800,000~~] according to
9 the most recent [~~preceding~~] federal decennial census may join a
10 separate authority by complying with this chapter.

11 (b) If a municipality described by Subsection (a) joins a
12 separate authority and another separate authority is subsequently
13 established in a county that has no principal municipality with a
14 [~~of more than 800,000~~] population of more than 1.1 million
15 according to the most recent [~~preceding~~] federal decennial census,
16 any municipality in that county that has voted to participate with
17 any authority created under this chapter may at the time of the
18 creation of the new authority:

- 19 (1) remain in the authority that was created first;
20 (2) join the new authority in the county in which the
21 municipality is located; or
22 (3) participate with both authorities.

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

25 (e) In a unit of election with a population of less than
26 10,000 according to the most recent federal decennial census that
27 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).

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.

1 The executive committee shall determine the total financial
2 obligation of the withdrawn unit of election not later than the
3 180th day after the date the election is called. This subsection:

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

6 (2) expires August 31, 2016.

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

9 (b) The interim subregional board of a subregion that has no
10 principal municipality with a population of more than 1.1 million
11 according to the most recent federal decennial census [~~800,000~~] is
12 composed of 11 [~~nine~~] members appointed as provided by Section
13 452.562(b).

14 SECTION 13. Section 452.712(d), Transportation Code, is
15 amended to read as follows:

16 (d) In a subregion that has no principal municipality with a
17 population of more than 1.1 million according to the most recent
18 federal decennial census [~~800,000~~], the tax rate must be approved
19 by the commissioners court before the confirmation election.

20 SECTION 14. This Act takes effect September 1, 2015.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3777** by Collier (Relating to the establishment and governance of certain regional transportation authorities.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation and Tax Codes to amend the population brackets in certain Subchapters and modify the governance of certain regional transportation authorities. The bill would grant title to all real estate to an authority, either partially or fully owned by the authority and located within a municipality with a population of 10,000 or less, if that municipality withdraws from the authority by election. The bill provides criteria for determining the total financial obligations of the withdrawn entity to the authority applicable to an election to withdraw on or before September 1, 2015 and expires August 31, 2016.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, AG, SD, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 21, 2015

TO: Honorable Kelly Hancock, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3777** by Collier (relating to the establishment and governance of certain regional transportation authorities.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation and Tax Codes to amend the population brackets in certain Subchapters and modify the governance of certain regional transportation authorities. The bill would grant title to all real estate to an authority, either partially or fully owned by the authority and located within a municipality with a population of 10,000 or less, if that municipality withdraws from the authority by election. The bill provides criteria for determining the total financial obligations of the withdrawn entity to the authority applicable to an election to withdraw on or before September 1, 2015 and expires August 31, 2016.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, AG, SD, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 19, 2015

TO: Honorable Kelly Hancock, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3777 by Collier (Relating to the establishment and governance of certain regional transportation authorities.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation and Tax Codes to amend the population brackets in certain Subchapters and modify the governance of certain regional transportation authorities. The bill would grant title to all real estate to an authority, either partially or fully owned by the authority and located within a municipality with a population of 10,000 or less, if that municipality withdraws from the authority by election. The bill provides criteria for determining the total financial obligations of the withdrawn entity to the authority applicable to an election to withdraw on or before September 1, 2015 and expires August 31, 2016.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, AG, SD, EK

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 30, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3777 by Collier (Relating to the establishment and governance of certain regional transportation authorities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation and Tax Codes to amend the population brackets in certain Subchapters and modify the governance of certain regional transportation authorities. The bill would grant title to all real estate to an authority, either partially or fully owned by the authority and located within a municipality with a population of 10,000 or less, if that municipality withdraws from the authority by election. The bill provides criteria for determining the total financial obligations of the withdrawn entity to the authority applicable to an election to withdraw on or before September 1, 2015 and expires August 31, 2016.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, AG, SD, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 22, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3777 by Collier (Relating to the establishment and governance of certain regional transportation authorities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to amend the population brackets in certain Subchapters and modify the governance of certain regional transportation authorities.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, AG, SD, EK