

BILL ANALYSIS

C.S.H.B. 2627
By: Workman
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties suggest that the frequency with which a unit of election may hold an election to withdraw from a metropolitan rapid transit authority is too low. C.S.H.B. 2627 seeks to address this issue by revising statutes regarding the withdrawal of a unit of election from certain metropolitan rapid transit authorities.

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. 2627 amends the Transportation Code to remove the prohibition against the governing body of a unit of election from ordering an election to withdraw from a metropolitan rapid transit authority in which the principal municipality has a population of less than 850,000 and that was confirmed before July 1, 1985, or accepting a petition for such an election for filing, on or before the fifth anniversary after the date of a previous election in the unit to withdraw. The bill prohibits such a governing body from holding such an election before the first anniversary of the first day of the calendar month in which a previous election to withdraw the unit of election from the authority was held and revises the required ballot proposition language for such an election.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2627 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	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 451.603(c), Transportation Code, is amended.	SECTION 1. Same as introduced version.

SECTION 2. Section 451.607(c), Transportation Code, is amended.

SECTION 2. Same as introduced version.

SECTION 3. Section 451.608, Transportation Code, is amended.

SECTION 3. Same as introduced version.

SECTION 4. Section 451.611, Transportation Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (b-1), (e), (f), and (g) to read as follows:

No equivalent provision.

(a) The net financial obligation of a withdrawn unit of election to the authority is an amount equal to:

(1) the gross financial obligations of the unit, which is the sum of:

(A) the unit's apportioned share of the authority's outstanding obligations; and

(B) the amount, not computed in Subdivision (1)(A), that is necessary and appropriate to allocate to the unit because of financial obligations of the authority that specifically relate to the unit; minus

(2) the unit's apportioned share of the unencumbered assets of the authority that consist of cash, cash deposits, certificates of deposit, and bonds, stocks, and other negotiable securities plus a reasonable credit in an amount determined by the comptroller under Subsection (f) if the comptroller finds a disparity in transit services provided by the authority to the unit.

(b) Subject to Subsection (b-1), an [An] authority's outstanding obligations under Subsection (a)(1)(A) is the sum of:

(1) the obligations of the authority authorized in the budget of, and contracted for by, the authority;

(2) outstanding contractual obligations for capital or other expenditures, including expenditures for a subsequent year, the payment of which is not made or provided for from the proceeds of notes, bonds, or other obligations;

(3) payments due or to become due in a subsequent year on notes, bonds, or other securities or obligations for debt issued by the authority;

(4) the amount required by the authority to be reserved for all years to comply with financial covenants made with lenders, note or bond holders, or other creditors or contractors; and

(5) the amount necessary for the full and timely payment of the obligations of the

authority, to avoid a default or impairment of those obligations, including contingent liabilities.

(b-1) An authority's outstanding obligations under Subsection (a)(1)(A) does not include the authority's outstanding obligations related to rail service if the authority does not operate a commuter rail line within the unit of election.

(d) The comptroller [~~board~~] shall determine the amount of each component of the computations required under this section, including the components of the unit's apportioned share, including any credit for a disparity in transit services provided by the authority to the unit of election, as of the effective date of withdrawal. The number of inhabitants shall be determined according to the most recent and available applicable data of an agency of the United States.

(e) The authority shall provide all information requested by the comptroller to determine the amount of each component of the computations required under this section. The unit of election may provide information to the comptroller with respect to any component, including information about any disparity in transit services provided by the authority to the unit.

(f) The comptroller has discretion to determine a reasonable credit, if any, for a disparity in transit services provided by the authority to the unit of election.

(g) An authority shall annually make a good faith estimate of each unit of election's net financial obligation and shall report that estimate to each unit of election not later than October 1 of each year.

SECTION 5. Section 451.612, Transportation Code, is amended to read as follows:

Sec. 451.612. CERTIFICATION OF NET FINANCIAL OBLIGATION OF UNIT. (a) If a majority of the votes received on the measure in an election held under Section 451.607 favor the proposition, the comptroller [~~The board~~] shall certify to the governing body of a withdrawn unit of election and to the authority [~~comptroller~~] the net financial obligation of the unit to the authority as determined under this subchapter.

(b) If a withdrawn unit of election has [~~there is~~] no net financial obligation [~~of the unit~~], the comptroller shall certify [~~certification must~~]

No equivalent provision.

~~show]~~ that fact to the governing body of the unit and to the authority.

(c) The comptroller shall make each certification required by this section not later than 180 days after the date an election is held under Section 451.607.

SECTION 6. 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, 2017.

SECTION 4. Same as introduced version.