A BILL TO BE ENTITLED

1   AN ACT

2 relating to a limitation on the amount of tolls and other charges

3 that may be imposed by toll project entities for the use of toll

4 projects.

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

6   SECTION 1. Sections 228.012(a) and (b), Transportation

7 Code, are amended to read as follows:

8   (a) The department shall create a separate account in the

9 state highway fund to hold payments received by the department

10 under a comprehensive development agreement [and the surplus

11 revenue of a toll project or system]. The department shall create

12 subaccounts in the account for each project, system, or region.

13 Interest earned on money in a subaccount shall be deposited to the

14 credit of that subaccount.

15   (b) The department shall hold money in a subaccount in trust

16 for the benefit of the region in which a project or system is

17 located and may assign the responsibility for allocating money in a

18 subaccount to a metropolitan planning organization in which the

19 region is located for projects approved by the department. At the

20 time the project is approved by the department money shall be

21 allocated and distributed to projects authorized by Section

22 228.0055 [or Section 228.006, as applicable].

23   SECTION 2. Section 228.053, Transportation Code, is amended

24 by amending Subsections (b) and (f) and adding Subsection (b-1) to

1   read as follows:

2   (b) The tolls shall be set so that[, at a minimum,] the

3   aggregate of tolls from the toll project or system, together with

4   other revenue and contributions, if any,[:

5   [(1)] provides a fund sufficient, but not more than

6   necessary [with other revenue and contributions, if any], to:

7   (1) pay:

8   (A) the cost of maintaining, repairing, and

9   operating the project or system; and

10   (B) the principal of and interest on any

11 outstanding [the] bonds issued [under Subchapter C] for the project

12 or system as those bonds become due and payable; and

13   (2) create any required [creates] reserves for the

14 purposes listed under Subdivision (1).

15   (b-1) After all outstanding bonds and other obligations

16 secured by toll revenue of a toll project have been repaid or

17 otherwise satisfied, tolls collected for use of the project may be

18 used only for the maintenance and operation of the portion of the

19 project for which the tolls were collected.

20   (f) The revenue and disbursements for each toll project or

21 system shall be kept separately. The revenue from one project may

22 not be used to pay the cost of another project except as authorized

23 by Section [Sections] 228.0055 [and 228.006].

24   SECTION 3. Section 228.104(a), Transportation Code, is

25 amended to read as follows:

26   (a) The principal of, interest on, and any redemption

27 premium on bonds issued by the commission under this subchapter are

1 payable solely from:

2   (1) the revenue of the toll project or system for which

3 the bonds are issued, including tolls pledged to pay the bonds;

4   (2) the proceeds of bonds issued for the project or

5 system;

6   (3) the amounts deposited in a debt service reserve

7 fund as required by the trust agreement securing bonds issued for

8 the project or system;

9   (4) amounts received under a credit agreement relating

10 to the project or system for which the bonds are issued; and

11   (5) [surplus revenue of another project or system as

12 authorized by Section 228.006; and

13   [(6)] amounts received by the department:

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

15   (B) under an agreement with a local governmental

16 entity entered into under Section 228.254;

17   (C) under other agreements with a local

18 governmental entity relating to the project or system for which the

19 bonds are issued; and

20   (D) under a comprehensive development agreement

21 entered into under Section 223.201.

22   SECTION 4. Section 228.105, Transportation Code, is amended

23 to read as follows:

24   Sec. 228.105. SOURCES OF PAYMENT OF AND SECURITY FOR TOLL

25 REVENUE BONDS.   Notwithstanding any other provisions of this

26 subchapter, toll revenue bonds issued by the commission may:

27   (1) be payable from and secured by:

3

1   (A) payments made under an agreement with a local

2 governmental entity as provided by Section 228.254;

3   (B) the proceeds of bonds issued for the toll

4 project or system; <u>or</u>

5   (C) amounts deposited in a debt service reserve

6 fund as required by the trust agreement securing bonds issued for

7 the project or system; [~~or~~

8   [~~(D) surplus revenue of another toll project or~~

9 ~~system as authorized by Section 228.006;~~] and

10   (2) state on their faces any pledge of revenue or taxes

11 and any security for the bonds under the agreement.

12   SECTION 5. Section 284.069, Transportation Code, is amended

13 to read as follows:

14   Sec. 284.069. TOLLS AND CHARGES. <u>(a) A</u> [~~If bonds under~~

15 ~~this chapter are payable in whole or in part from project revenue,~~

16 ~~the~~] county shall impose tolls and charges <u>for the use of a project</u>

17 that are, together with other money or revenues available for the

18 project, including ad valorem tax, sufficient<u>, but not more than</u>

19 <u>necessary,</u> to:

20   (1) pay the maintenance and operating expenses of the

21 project;

22   (2) pay the principal of, premium of, if any, and

23 interest on <u>any outstanding</u> [~~the~~] bonds when due;

24   (3) establish a reserve for payment of <u>any outstanding</u>

25 bond principal, premium, and interest; and

26   (4) establish an adequate fund for project

27 depreciation and replacement.

1   (b) After all outstanding bonds and other obligations
2   secured by toll revenue and charges of a project have been repaid or
3   otherwise satisfied, tolls and charges collected for use of the
4   project may be used only for the maintenance and operation of the
5   portion of the project for which the tolls and charges were
6   collected.
7   SECTION 6.   Section 365.041, Transportation Code, is amended
8   to read as follows:
9   Sec. 365.041. AMOUNT OF TOLLS. (a) Revenue from tolls and
10 other charges under Section 365.040 may be sufficient, but not more
11 than necessary, to:
12   (1) pay all expenses necessary to maintain and operate
13 the toll road project;
14   (2) make necessary payments and otherwise comply with
15 any permit or franchise for maintenance or operation of the toll
16 road project;
17   (3) pay the principal and redemption price of and
18 interest on all bonds that the district is obligated to pay,
19 regardless of whether the bonds were issued as revenue bonds;
20   (4) pay all sinking fund or reserve fund payments
21 agreed to be made in connection with bonds or other obligations as
22 they become due and payable to establish a reasonable depreciation
23 and emergency fund;
24   (5) comply with any agreement made with the holders of
25 the district's bonds or other obligations or with another person on
26 the bondholder's behalf; and
27   (6) recover a reasonable rate of return on invested

1   capital.

2   (b) After all outstanding bonds and other obligations

3   secured by toll revenue and other charges of a toll road project

4   have been repaid or otherwise satisfied, tolls and other charges

5   collected for use of the project may be used only for the

6   maintenance and operation of the portion of the project for which

7   the tolls and other charges were collected.

8   SECTION 7. Section 366.113(a), Transportation Code, is

9   amended to read as follows:

10   (a) The principal of, interest on, and any redemption

11   premium on bonds issued by an authority are payable solely from:

12   (1) the revenue of the turnpike project or system for

13   which the bonds are issued, including tolls pledged to pay the

14   bonds;

15   (2) payments made under an agreement with the

16   commission or a local governmental entity as provided by Subchapter

17   G;

18   (3) money derived from any other source available to

19   the authority, other than money derived from a turnpike project

20   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

22   a turnpike project or system has been pledged for that purpose]; and

23   (4) amounts received under a credit agreement relating

24   to the turnpike project or system for which the bonds are issued.

25   SECTION 8. Section 366.173, Transportation Code, is amended

26   by amending Subsection (b) and adding Subsection (b-1) to read as

27   follows:

1   (b)   Tolls must be set so that the aggregate of tolls from an

2 authority's turnpike project or system, together with other revenue

3 of the turnpike project or system[.

4   [(1)] provides revenue sufficient, but not more than

5 necessary, to:

6   (1) pay:

7   (A) the cost of maintaining, repairing, and

8 operating the turnpike project or system; and

9   (B) the principal of and interest on any

10 outstanding [the] bonds issued for the turnpike project or system

11 as those bonds become due and payable; and

12   (2) create any required [creates] reserves for a

13 purpose listed under Subdivision (1).

14   (b-1) After all outstanding bonds and other obligations

15 secured by toll revenue of a turnpike project have been repaid or

16 otherwise satisfied, tolls collected for use of the project may be

17 used only for the maintenance and operation of the portion of the

18 project for which the tolls were collected.

19   SECTION 9. Section 370.113(a), Transportation Code, is

20 amended to read as follows:

21   (a) The principal of, interest on, and any redemption

22 premium on bonds issued by an authority are payable solely from:

23   (1) the revenue of the transportation project for

24 which the bonds are issued;

25   (2) payments made under an agreement with the

26 commission, the department, or other governmental entity as

27 authorized by this chapter;

1 (3) money derived from any other source available to
2 the authority, other than money derived from a transportation
3 project 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 a
5 transportation project or system, other than a turnpike project,
6 has been pledged for that purpose;

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

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

10 SECTION 10. Section 370.172, Transportation Code, is
11 amended by amending Subsection (b) and adding Subsection (b-1) to
12 read as follows:

13 (b) Tolls, fees, fares, or other charges must be set at
14 rates or amounts so that the aggregate of tolls, fees, fares, or
15 other charges from an authority's transportation project, together
16 with other revenue of the transportation project[.

17 [(1)] provides revenue sufficient, but not more than
18 necessary, to:

19 (1) pay:

20 (A) the cost of maintaining, repairing, and
21 operating the transportation project;

22 (B) the principal of and interest on any
23 outstanding bonds issued for the transportation project as those
24 bonds become due and payable; and

25 (C) any other payment obligations of an authority
26 under a contract or agreement authorized under this chapter; and

27 (2) create any required [creates] reserves for a

1 purpose listed under Subdivision (1).

2   (b-1) After all outstanding bonds and other obligations

3 secured by toll revenue or fees, fares, or other charges of a

4 transportation project have been repaid, tolls or fees, fares, or

5 other charges collected for use of the project may be used only for

6 the maintenance and operation of the portion of the project for

7 which the amounts were collected.

8   SECTION 11. Subchapter B, Chapter 372, Transportation Code,

9 is amended by adding Section 372.054 to read as follows:

10   Sec. 372.054. LIMIT ON TOLL COLLECTIONS. (a) A toll

11 project entity may not set tolls or other charges for use of a

12 project in an amount that exceeds the amount necessary to:

13   (1) pay bonds and other obligations secured by the

14 revenue as required by a bond resolution or trust agreement; and

15   (2) provide for the maintenance and operation of the

16 project.

17   (b) After all outstanding bonds and other obligations

18 secured by toll revenue and other charges of a transportation

19 project have been repaid or otherwise satisfied, tolls and other

20 charges collected for use of the project may be used only for the

21 maintenance and operation of the portion of the project for which

22 the tolls or charges were collected.

23   SECTION 12. The following provisions of the Transportation

24 Code are repealed:

25   (1) Section 228.006;

26   (2) Section 228.109(d);

27   (3) Section 366.003(9-a);

1 	(4) 	Section 366.037;

2 	(5) 	Section 366.071;

3 	(6) 	Section 366.072; and

4 	(7) 	Section 366.175.

5 	SECTION 13. 	The changes in law made by this Act to Sections

6 	228.104(a), 228.105, 366.113(a), and 370.113(a), Transportation

7 	Code, apply only to bonds or other obligations issued on or after

8 	the effective date of this Act. 	Bonds or other obligations issued

9 	before the effective date of this Act are governed by the law in

10 	effect on the date the bonds were issued, and the former law is

11 	continued in effect for that purpose.

12 	SECTION 14. 	This Act takes effect immediately if it

13 	receives a vote of two-thirds of all the members elected to each

14 	house, as provided by Section 39, Article III, Texas Constitution.

15 	If this Act does not receive the vote necessary for immediate

16 	effect, this Act takes effect September 1, 2017.