

By: Workman

H.B. No. 2627

A BILL TO BE ENTITLED

AN ACT

relating to the withdrawal of a unit of election from certain metropolitan rapid transit authorities.

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

SECTION 1. Section 451.603(c), Transportation Code, is amended to read as follows:

(c) An election to withdraw may not be held ~~[ordered, and a petition for an election to withdraw may not be accepted for filing, on or]~~ before the first ~~[fifth]~~ anniversary of the first day of the calendar month in which a ~~[after the date of a]~~ previous election to withdraw ~~[in]~~ the unit of election ~~[to withdraw]~~ from the authority was held.

SECTION 2. Section 451.607(c), Transportation Code, is amended to read as follows:

(c) At the election the ballot shall be printed to provide for voting for or against the proposition: "Shall ~~[the]~~ (name of unit of election ~~[authority]~~) withdraw from the ~~[be continued in]~~ (name of authority ~~[unit of election]~~)?"

SECTION 3. Section 451.608, Transportation Code, is amended to read as follows:

Sec. 451.608. RESULT OF WITHDRAWAL ELECTION. (a) If a majority of the votes received on the measure in an election held under Section 451.607 favor the proposition, the ~~[authority continues in the]~~ unit of election withdraws from the authority and

1 the authority ceases in the unit of election on the day after the
2 date the election results are canvassed.

3 (b) If less than a majority of the votes received on the
4 measure in the election favor the proposition, the authority
5 continues [~~ceases~~] in the unit of election [~~on the day after the day~~
6 ~~the election returns are canvassed~~].

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

10 (a) The net financial obligation of a withdrawn unit of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

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

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

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

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

27 (b) Subject to Subsection (b-1), an [~~An~~] authority's

1 outstanding obligations under Subsection (a)(1)(A) is the sum of:

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

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

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

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

15 (5) the amount necessary for the full and timely
16 payment of the obligations of the authority, to avoid a default or
17 impairment of those obligations, including contingent liabilities.

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

22 (d) The comptroller ~~[board]~~ shall determine the amount of
23 each component of the computations required under this section,
24 including the components of the unit's apportioned share, including
25 any credit for a disparity in transit services provided by the
26 authority to the unit of election, as of the effective date of
27 withdrawal. The number of inhabitants shall be determined

1 according to the most recent and available applicable data of an
2 agency of the United States.

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

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

12 (g) An authority shall annually make a good faith estimate
13 of each unit of election's net financial obligation and shall
14 report that estimate to each unit of election not later than October
15 1 of each year.

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

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

25 (b) If a withdrawn unit of election has ~~[there is]~~ no net
26 financial obligation ~~[of the unit]~~, the comptroller shall certify
27 ~~[certification must show]~~ that fact to the governing body of the

1 unit and to the authority.

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

5 SECTION 6. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section [39](#), Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2017.