

By: Ortega

H.B. No. 4475

A BILL TO BE ENTITLED

AN ACT

relating to the ability of a governmental entity to contract for the development and operation of a transportation project.

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

SECTION 1. Sections 370.003(8) and (14), Transportation Code, are amended to read as follows:

(8) "Governmental entity" means a political subdivision of the state, including a municipality or a county, a political subdivision of a county, a group of adjoining counties, a district organized or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the department or another agency of the state, a rail district, a transit authority, a nonprofit corporation, including a transportation corporation, that is created under Chapter 431, or any other public entity or instrumentality.

(14) "Transportation project" means:

- (A) a turnpike project;
- (B) a system;
- (C) a passenger or freight rail facility, including:
 - (i) tracks;
 - (ii) a rail line;
 - (iii) switching, signaling, or other operating equipment;

- 1 (iv) a depot;
- 2 (v) a locomotive;
- 3 (vi) rolling stock;
- 4 (vii) a maintenance facility; and
- 5 (viii) other real and personal property
- 6 associated with a rail operation;
- 7 (D) a roadway with a functional classification
- 8 greater than a local road or rural minor collector;
- 9 (D-1) a bridge;
- 10 (E) a ferry;
- 11 (F) an airport, other than an airport that on
- 12 September 1, 2005, was served by one or more air carriers engaged in
- 13 scheduled interstate transportation, as those terms were defined by
- 14 14 C.F.R. Section 1.1 on that date;
- 15 (G) a pedestrian or bicycle facility;
- 16 (H) an intermodal hub;
- 17 (I) an automated conveyor belt for the movement
- 18 of freight;
- 19 (J) a border crossing inspection station,
- 20 including:
- 21 (i) a border crossing inspection station
- 22 located at or near an international border crossing; and
- 23 (ii) a border crossing inspection station
- 24 located at or near a border crossing from another state of the
- 25 United States and not more than 50 miles from an international
- 26 border;
- 27 (K) an air quality improvement initiative;

1 (L) a public utility facility;

2 (M) a transit system;

3 (M-1) a parking area, structure, or facility, or
4 a collection device for parking fees;

5 (N) if applicable, projects and programs listed
6 in the most recently approved state implementation plan for the
7 area covered by the authority, including an early action compact;

8 (O) improvements in a transportation
9 reinvestment zone designated under Subchapter E, Chapter 222; and

10 (P) port security, transportation, or facility
11 projects eligible for funding under Section 55.002; and

12 (Q) an aerial cable car or aerial tramway for the
13 transportation of persons or property, or both.

14 SECTION 2. Section 370.303, Transportation Code, is amended
15 to read as follows:

16 Sec. 370.303. AGREEMENTS BETWEEN AUTHORITY AND [~~LOCAL~~]
17 GOVERNMENTAL ENTITIES. (a) A governmental entity may, consistent
18 with the Texas Constitution, issue bonds, notes, or other
19 obligations or enter into and make payments under agreements with
20 an authority in connection with the financing, acquisition,
21 construction, or operation of a transportation project by an
22 authority, whether inside or outside the geographic boundaries of
23 the governmental entity, including agreements to pay the principal
24 of, and interest on, bonds, notes, or other obligations issued by
25 the authority and make payments under any related credit
26 agreements. The entity may impose and collect taxes to pay the
27 interest on the bonds and to provide a sinking fund for the

1 redemption of the bonds.

2 (b) In addition to the powers provided by Subsection (a), a
3 governmental entity may, to the extent constitutionally permitted,
4 agree with an authority to:

5 (1) issue bonds, notes, or other obligations;

6 (2) create:

7 (A) a taxing district;

8 (B) a transportation reinvestment zone under
9 Subchapter E, Chapter 222; or

10 (C) an entity to promote economic development;

11 (3) collect and remit to an authority taxes, fees, or
12 assessments collected for purposes of developing transportation
13 projects;

14 (4) fund public improvements to promote economic
15 development; or

16 (5) enter into and make payments under an agreement to
17 acquire, construct, maintain, or operate any portion of a
18 transportation project of the authority.

19 (b-1) An agreement under Subsections (a) or (b) may include
20 a means for a [~~local~~] governmental entity to pledge or otherwise
21 provide funds for a transportation project that benefits the
22 governmental entity to be developed by the authority.

23 (c) To make payments under an agreement under Subsection
24 (b), to pay the interest on bonds issued under Subsection (b), or to
25 provide a sinking fund for the bonds or the agreement, a
26 governmental entity may:

27 (1) pledge revenue from any available source,

1 including annual appropriations;

2 (2) impose and collect taxes; or

3 (3) pledge revenue and impose and collect taxes.

4 (d) The term of an agreement under this section may not
5 exceed 40 years.

6 (e) An election required to authorize action under this
7 subchapter must be held in conformity with Chapter 1251, Government
8 Code, or other law applicable to the governmental entity.

9 (f) The governing body of any governmental entity issuing
10 bonds, notes, or other obligations or entering into agreements
11 under this section may exercise the authority granted to the
12 governing body of an issuer with regard to issuance of obligations
13 under Chapter 1371, Government Code, except that the prohibition in
14 that chapter on the repayment of an obligation with ad valorem taxes
15 does not apply to an issuer exercising the authority granted by this
16 section.

17 (g) An agreement under this section may contain repayment or
18 reimbursement obligations of an authority.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2019.