

By: Powell

S.B. No. 1299

A BILL TO BE ENTITLED

AN ACT

relating to the powers of certain regional transportation authorities.

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

SECTION 1. Sections 452.108(c) and (d), Transportation Code, are amended to read as follows:

(c) Except as provided by Subsection (d), an authority consisting of one subregion governed by a subregional board created under Subchapter N or O may not enter a lease or financing agreement secured wholly or partially by the assets of the authority if the duration of the lease or financing agreement is longer than five years unless the lease or agreement is approved by the voters of the authority in the manner provided for the issuance of bonds and notes under Subchapter H.

(d) To provide tax benefits to another party that are available with respect to property under the laws of a foreign country or to encourage private investment with a transportation authority in the United States, and notwithstanding any other provision of this chapter, an authority consisting of one subregion governed by a subregional board created under Subchapter N or O may enter into and execute, as it considers appropriate, contracts, agreements, notes, security agreements, conveyances, bills of sale, deeds, leases as lessee or lessor, and currency hedges, swap transactions, or agreements relating to foreign and domestic

1 currency. The agreements or instruments may have the terms,  
2 maturities, duration, provisions as to governing law, indemnities,  
3 and other provisions that are approved by the subregional board. In  
4 connection with any transaction authorized by this subsection, the  
5 authority may deposit in trust, escrow, or similar arrangement cash  
6 or lawful investments securities, or may enter into one or more  
7 payment agreements, financial guarantees, or insurance contracts  
8 with counterparties having either a corporate credit or debt rating  
9 in any form, a claims-paying ability, or a rating for financial  
10 strength of "AA" or better by Moody's Investors Service, Inc. or by  
11 Standard & Poor's Corporation or of "A (Class XII)" or better by  
12 Best's rating system, that by their terms, including interest to be  
13 earned on the cash or securities, or payment obligations, are  
14 sufficient in amount to pay when due all amounts required to be paid  
15 by the authority as rent over the full term of the transaction plus  
16 any optional purchase price or other obligation due under the  
17 transaction.

18 SECTION 2. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2019.