

BILL ANALYSIS

S.B. 1727
By: Nichols
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Approved by voters in 1983, the Harris County Toll Road Authority (HCTRA) has managed construction, operation, and maintenance of a network of toll roads facilitating traffic through and around the heavily congested Greater Houston area and beyond for more than 30 years. In September 2020, the Harris County Commissioners Court voted to create a local government corporation to manage Harris County's toll road system in a move expected to provide a windfall to county coffers and allow surplus toll collections to be spent on non-transportation purposes. The local government model would allow HCTRA to refinance its debt at historically low rates and divert funds to help the county respond to the COVID-19 pandemic and subsequent economic downturn, as well as invest in flood control. However, it has been argued that this model would divert toll road driver fees away from the road on which they drive. S.B. 1727 seeks to address this issue by prohibiting Harris County from creating a local government corporation to develop, construct, operate, manage, or finance a toll project or system and by dissolving any existing local government corporations created by Harris County for those purposes.

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

S.B. 1727 amends the Transportation Code to prohibit a county with a population of more than four million from creating a local government corporation under the Texas Transportation Corporation Act to develop, construct, operate, manage, or finance a toll project or system located in the county.

S.B. 1727 prohibits an existing local government corporation created by such a county from doing the following:

- undertaking any new bonds, notes, or other obligations or extending the terms of any existing bonds, notes, or other obligations; or
- entering into any new contracts or extending the terms of any existing contracts.

The bill requires the corporation to be dissolved when all of its bonds, notes, and other obligations and contracts have been satisfied. These provisions expire on the date that the corporation is dissolved.

S.B. 1727 restricts the use of income earned and revenues received by or from such a local government corporation created for purposes related to a toll project or system under certain road laws applicable to certain counties to paying the costs of a turnpike project or a road, street, or highway project as provided for under those laws.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.