By:  Romero, Jr. (Senate Sponsor - Powell) H.B. No. 2203

(In the Senate - Received from the House May 3, 2021; May 6, 2021, read first time and referred to Committee on Transportation; May 19, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; May 19, 2021, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Nichols           X

Seliger                     X

Alvarado          X

Blanco            X

Hancock           X

Hinojosa          X

Kolkhorst         X

Perry             X

West              X

COMMITTEE SUBSTITUTE FOR H.B. No. 2203 By:  Hancock

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.  Section 452.108, Transportation Code, is amended by amending Subsections (c) and (d) and adding Subsections (h), (i), and (j) 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 currency. The agreements or instruments may have the terms, maturities, duration, provisions as to governing law, indemnities, and other provisions that are approved by the subregional board. In connection with any transaction authorized by this subsection, the authority may deposit in trust, escrow, or similar arrangement cash or lawful investments securities, or may enter into one or more payment agreements, financial guarantees, or insurance contracts with counterparties having either a corporate credit or debt rating in any form, a claims-paying ability, or a rating for financial strength of "AA" or better by Moody's Investors Service, Inc. or by Standard & Poor's Corporation or of "A (Class XII)" or better by Best's rating system, that by their terms, including interest to be earned on the cash or securities, or payment obligations, are sufficient in amount to pay when due all amounts required to be paid by the authority as rent over the full term of the transaction plus any optional purchase price or other obligation due under the transaction.

(h)  Subsections (c) and (d) do not affect the eminent domain laws that govern an authority consisting of one subregion governed by a subregional board created under Subchapter N or grant the authority's power of eminent domain to any person who is not granted that power under other state law.

(i)  An authority consisting of one subregion governed by a subregional board created under Subchapter N may not enter into an agreement under this section with a private entity:

(1)  that results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, unless the taxing unit approves of the removal; or

(2)  for a term that exceeds 35 years.

(j)  An authority consisting of one subregion governed by a subregional board created under Subchapter N may only enter into a lease or financing agreement under this section for a development located within 1,500 feet of a planned or existing station, terminal complex, or transit route stop.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

\* \* \* \* \*