

By: Metcalf

H.B. No. 3828

A BILL TO BE ENTITLED

AN ACT

relating to the cessation of tolls by toll project entities in certain circumstances.

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

SECTION 1. Chapter 372, Transportation Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. CESSATION OF TOLLS

Sec. 372.151. DEFINITION. In this subchapter, "toll cessation date" means the date on which a project is scheduled to become a part of the state highway system maintained by the commission under Section 372.152.

Sec. 372.152. CESSATION OF TOLLS AFTER BOND REQUIREMENTS MET. (a) Except as provided by Section 372.153, a toll project becomes a part of the state highway system and the commission shall maintain the project without tolls when the costs of acquisition and construction of the project have been paid and:

(1) all of the bonds and interest on the bonds that are payable from or secured by revenue of the project have been paid by the issuer of the bonds or another person with the consent or approval of the issuer; or

(2) a sufficient amount for the payment of all bonds and interest on the bonds to maturity has been set aside by the issuer of the bonds or another person with the consent or approval of the issuer in a trust fund held for the benefit of the

1 bondholders.

2 (b) A toll project entity may not amend a financing or other
3 agreement in a manner that would extend the date by which a toll
4 project would become part of the state highway system under
5 Subsection (a).

6 Sec. 372.153. ELECTION TO CONTINUE TOLLS AFTER TOLL
7 CESSATION DATE. (a) A toll project entity may extend by five years
8 a toll cessation date of a toll project if the extension is approved
9 by a majority of the votes cast at an election held for that
10 purpose:

11 (1) on a uniform election date before the toll
12 cessation date;

13 (2) in:

14 (A) the territory of the toll project entity; or

15 (B) if the toll project entity is the department,
16 each county in which the toll project is located; and

17 (3) by:

18 (A) the toll project entity; or

19 (B) if the toll project entity is the department,
20 each county in which the toll project is located.

21 (b) After an initial election under this section at which an
22 extension is approved, the toll project entity may use the process
23 established by this subchapter to obtain voter approval for
24 subsequent five-year extensions of the toll cessation date for the
25 project.

26 (c) At an election ordered under this section, the ballots
27 must be printed to permit voting for or against the proposition:

1 "The continuation of tolls for a period of five years for (toll
2 project)."

3 Sec. 372.154. REQUEST FOR ELECTION BY DEPARTMENT. (a) If
4 the department wishes to extend a toll cessation date for a toll
5 project the department shall, not later than nine months before the
6 toll cessation date, send to the commissioners court of each county
7 in which the toll project is located notice of:

8 (1) the toll cessation date for the project; and

9 (2) the department's intention to request an election
10 for an extension of tolling authority for the project.

11 (b) Each commissioners court that receives notice under
12 Subsection (a) shall, as soon as practicable after receiving the
13 notice, propose to the department:

14 (1) one or more uniform election dates occurring
15 before the toll cessation date that would allow the county
16 sufficient time to comply with applicable provisions of law for
17 holding the election; and

18 (2) the date by which a request must be submitted by
19 the department in order for the county to have sufficient time to
20 comply with applicable provisions of law for holding the election.

21 (c) If the department submits to a commissioners court a
22 request for an election for an extension of tolling authority for
23 the project that complies with Subsection (b), the commissioners
24 court shall hold the requested election.

25 Sec. 372.155. CESSATION OF TOLLS AFTER EXTENSION OF TOLL
26 CESSATION DATE. A toll project becomes part of the state highway
27 system and the commission shall maintain the project without tolls

1 if a five-year toll cessation date extension authorized by an
2 election under this subchapter expires and a succeeding five-year
3 extension has not been approved at an election under this
4 subchapter.

5 SECTION 2. Section 373.003, Transportation Code, is amended
6 to read as follows:

7 Sec. 373.003. PROJECT OWNED IN PERPETUITY. Unless a toll
8 project is leased, sold, conveyed, or otherwise transferred to
9 another governmental entity in accordance with applicable law,
10 including Sections 228.151, 284.011, 366.036, 366.172, ~~and~~
11 370.171, 372.152, and 372.155, a toll project procured by the
12 department or a local toll project entity determined by the process
13 under Subchapter B is owned by that entity in perpetuity.

14 SECTION 3. Sections 284.008(c) and (d), Transportation
15 Code, are repealed.

16 SECTION 4. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2023.