

By: Lowe

H.B. No. 2948

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. Sections 228.012(a) and (b), Transportation Code, are amended to read as follows:

(a) The department shall create a separate account in the state highway fund to hold payments received by the department under a comprehensive development agreement ~~[and the surplus revenue of a toll project or system]~~. The department shall create subaccounts in the account for each project, system, or region. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount.

(b) The department shall hold money in a subaccount in trust for the benefit of the region in which a project or system is located and may assign the responsibility for allocating money in a subaccount to a metropolitan planning organization in which the region is located for projects approved by the department. At the time the project is approved by the department money shall be allocated and distributed to projects authorized by Section 228.0055 ~~[or Section 228.006, as applicable]~~.

SECTION 2. Section 228.053(f), Transportation Code, is amended to read as follows:

(f) The revenue and disbursements for each toll project or

1 system shall be kept separately. The revenue from one project may
2 not be used to pay the cost of another project except as authorized
3 by Section [~~Sections~~] 228.0055 [~~and 228.006~~].

4 SECTION 3. Section 228.104(a), Transportation Code, is
5 amended to read as follows:

6 (a) The principal of, interest on, and any redemption
7 premium on bonds issued by the commission under this subchapter are
8 payable solely from:

9 (1) the revenue of the toll project or system for which
10 the bonds are issued, including tolls pledged to pay the bonds;

11 (2) the proceeds of bonds issued for the project or
12 system;

13 (3) the amounts deposited in a debt service reserve
14 fund as required by the trust agreement securing bonds issued for
15 the project or system;

16 (4) amounts received under a credit agreement relating
17 to the project or system for which the bonds are issued; and

18 (5) [~~surplus revenue of another project or system as~~
19 ~~authorized by Section 228.006, and~~

20 [~~(6)~~] amounts received by the department:

21 (A) as pass-through tolls under Section 222.104;

22 (B) under an agreement with a local governmental
23 entity entered into under Section 228.254;

24 (C) under other agreements with a local
25 governmental entity relating to the project or system for which the
26 bonds are issued; and

27 (D) under a comprehensive development agreement

1 entered into under Section 223.201.

2 SECTION 4. Section 228.105, Transportation Code, is amended
3 to read as follows:

4 Sec. 228.105. SOURCES OF PAYMENT OF AND SECURITY FOR TOLL
5 REVENUE BONDS. Notwithstanding any other provisions of this
6 subchapter, toll revenue bonds issued by the commission may:

7 (1) be payable from and secured by:

8 (A) payments made under an agreement with a local
9 governmental entity as provided by Section 228.254;

10 (B) the proceeds of bonds issued for the toll
11 project or system; or

12 (C) amounts deposited in a debt service reserve
13 fund as required by the trust agreement securing bonds issued for
14 the project or system; ~~or~~

15 ~~[(D) surplus revenue of another toll project or~~
16 ~~system as authorized by Section 228.006,] and~~

17 (2) state on their faces any pledge of revenue or taxes
18 and any security for the bonds under the agreement.

19 SECTION 5. Section 366.113(a), Transportation Code, is
20 amended to read as follows:

21 (a) The principal of, interest on, and any redemption
22 premium on bonds issued by an authority are payable solely from:

23 (1) the revenue of the turnpike project or system for
24 which the bonds are issued, including tolls pledged to pay the
25 bonds;

26 (2) payments made under an agreement with the
27 commission or a local governmental entity as provided by Subchapter

1 G;

2 (3) money derived from any other source available to
3 the authority, other than money derived from a turnpike project
4 that is not part of the same system or money derived from a
5 different system[~~, except to the extent that the surplus revenue of~~
6 ~~a turnpike project or system has been pledged for that purpose];~~
7 and

8 (4) amounts received under a credit agreement relating
9 to the turnpike project or system for which the bonds are issued.

10 SECTION 6. Section 370.113(a), Transportation Code, is
11 amended to read as follows:

12 (a) The principal of, interest on, and any redemption
13 premium on bonds issued by an authority are payable solely from:

14 (1) the revenue of the transportation project for
15 which the bonds are issued;

16 (2) payments made under an agreement with the
17 commission, the department, or other governmental entity as
18 authorized by this chapter;

19 (3) money derived from any other source available to
20 the authority, other than money derived from a transportation
21 project that is not part of the same system or money derived from a
22 different system, except to the extent that the surplus revenue of a
23 transportation project or system, other than a turnpike project,
24 has been pledged for that purpose;

25 (4) amounts received under a credit agreement relating
26 to the transportation project for which the bonds are issued; and

27 (5) the proceeds of the sale of other bonds.

1 SECTION 7. Section 372.0535(b), Transportation Code, is
2 amended to read as follows:

3 (b) Not later than the 180th day after the last day of a toll
4 project entity's fiscal year, the entity shall publish on the
5 entity's Internet website a report on the entity's financial data,
6 including:

7 (1) the final maturity of all bonds issued by the
8 entity for a toll project or system;

9 (2) toll revenue for each toll project for the
10 previous fiscal year;

11 (3) an accounting of total revenue collected and
12 expenses incurred by the entity for the previous fiscal year, such
13 as debt service, maintenance and operation costs, and any other
14 miscellaneous expenses [~~, and any surplus revenue~~]; and

15 (4) a capital improvement plan with proposed or
16 expected capital expenditures over a period determined by the
17 entity.

18 SECTION 8. Subchapter B, Chapter 372, Transportation Code,
19 is amended by adding Section 372.060 to read as follows:

20 Sec. 372.060. CESSATION OF TOLLS. (a) A toll project
21 becomes a part of the state highway system and the commission shall
22 maintain the project without tolls when the costs of acquisition
23 and construction of the project have been paid and:

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

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

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

10 SECTION 9. Section 373.003, Transportation Code, is amended
11 to read as follows:

12 Sec. 373.003. PROJECT OWNED IN PERPETUITY. Unless a toll
13 project is leased, sold, conveyed, or otherwise transferred to
14 another governmental entity in accordance with applicable law,
15 including Sections 228.151, 284.011, 366.036, 366.172, [~~and~~
16 370.171, and 372.060, a toll project procured by the department or a
17 local toll project entity determined by the process under
18 Subchapter B is owned by that entity in perpetuity.

19 SECTION 10. The following provisions of the Transportation
20 Code are repealed:

- 21 (1) Section 228.006;
- 22 (2) Section 228.109(d);
- 23 (3) Sections 284.008(c) and (d);
- 24 (4) Section 366.003(9-a);
- 25 (5) Section 366.037;
- 26 (6) Section 366.071;
- 27 (7) Section 366.072(b); and

1 (8) Section 366.175.

2 SECTION 11. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2025.