

By: Villalobos

H. B. No. 4576

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the operation of certain metropolitan transit
3 authorities.

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

5 SECTION 1. Section 162.356(b), Tax Code, is amended to read
6 as follows:

19 SECTION 2. Section 451.061(d-1), Transportation Code, is
20 amended to read as follows:

21 (d-1) The establishment of or a change to fares, tolls,
22 charges, rents, and other compensation by an authority [confirmed
23 ~~before July 1, 1985,~~] in which the principal municipality has a
24 population of less than 1.3 million[~~T~~] takes effect immediately on

1 approval by a majority vote of the board, except that the
2 establishment of or a change to a single-ride base fare takes effect
3 on the 60th day after the date the board approves the fare or change
4 to the fare, unless the policy board of the metropolitan planning
5 organization that serves the area of the authority disapproves the
6 fare or change to the fare by a majority vote.

7 SECTION 3. Subchapter C, Chapter 451, Transportation Code,
8 is amended by adding Section 451.1025 to read as follows:

9 Sec. 451.1025. SELECTION AND RETENTION OF INSURANCE BROKER.
10 (a) This section applies only to an authority in which the
11 principal municipality has a population of less than 320,000.

12 (b) The board may select a licensed insurance agent for the
13 authority as the sole broker of record to obtain proposals and
14 coverages for insurance, including in areas of risk relating to
15 public official liability, property, casualty, workers'
16 compensation, and specific and aggregate stop-loss coverage
17 insurance for self-funded health care.

18 (c) The board may retain a broker of record selected under
19 this section only on a fee basis paid by the authority. A broker of
20 record retained under this section may not directly or indirectly
21 receive any other remuneration, compensation, or other form of
22 payment from any other source for the placement of insurance
23 business under the broker of record contract with the board.

24 (d) A broker of record retained under this section may not
25 submit any insurance carrier proposal to the board or direct any
26 authority insurance business to an insurance carrier if the broker
27 has a business relationship or proposed business relationship with

1 the carrier, including an appointment, unless the broker first
2 discloses the nature of that relationship or proposed relationship,
3 in writing, to the board.

4 (e) A broker who violates this section is subject to any
5 disciplinary remedy available under Chapter 82, Insurance Code, or
6 Section 4005.102, Insurance Code, including license revocation and
7 fine.

8 SECTION 4. Section 451.506, Transportation Code, is amended
9 by adding Subsection (b-1) to read as follows:

10 (b-1) This subsection applies only to an individual serving
11 on the board of an authority in which the principal municipality has
12 a population of less than 320,000. For purposes of Subsection (b),
13 in determining the length of service on the board of an individual
14 to whom this subsection applies, the following periods of service
15 are excluded:

16 (1) a period of service that results from the
17 individual's appointment to fill an unexpired term that occurs
18 before the individual's first appointment to a full term on the
19 board; or

20 (2) a period of service on the board that is
21 attributable to a term shortened by the individual's appointment as
22 the board's presiding officer under Section 451.502(e).

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