

By: Canales

H.B. No. 4888

A BILL TO BE ENTITLED

AN ACT

relating to the provision by a regional mobility authority of financial assistance for transportation projects of governmental entities located in the area of the authority; providing authority to issue bonds.

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

SECTION 1. Section 370.174(b), Transportation Code, is amended to read as follows:

(b) Consistent with other law and commission rule, an authority may spend surplus revenue on other transportation projects by:

(1) constructing a transportation project located within the counties of the authority;

(2) assisting in the financing of a toll or toll-free transportation project of another governmental entity, including by providing financial assistance in the manner provided by Section 370.1745; or

(3) with the approval of the commission, constructing a toll or toll-free transportation project and, on completion of the project, transferring the project to another governmental entity if:

(A) the other governmental entity authorizes the authority to construct the project and agrees to assume all liability and responsibility for the maintenance and operation of

1 the project on its transfer; and

2 (B) the project is constructed in compliance with
3 all laws applicable to the governmental entity.

4 SECTION 2. Subchapter E, Chapter 370, Transportation Code,
5 is amended by adding Section 370.1745 to read as follows:

6 Sec. 370.1745. FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENTAL
7 ENTITIES; REVENUE BONDS. (a) To assist in the financing of a toll
8 or toll-free transportation project under Section 370.174(b), an
9 authority may provide to a governmental entity any part of which is
10 located within the geographic boundaries of the authority financial
11 assistance for the project by:

- 12 (1) extending credit by direct loan;
13 (2) providing credit enhancements;
14 (3) serving as a capital reserve for bond or debt
15 instrument financing;
16 (4) subsidizing interest rates;
17 (5) insuring the issuance of a letter of credit or
18 credit instrument;
19 (6) financing a purchase or lease agreement in
20 connection with a transit project; or
21 (7) providing security for bonds and other debt
22 instruments.

23 (b) Financial assistance to a governmental entity under
24 Subsection (a) shall be limited, as applicable, to a transportation
25 project that is consistent with the transportation plan developed
26 by the metropolitan planning organization.

27 (c) A governmental entity that is authorized by law to

1 construct, maintain, or finance a transportation project may borrow
2 money from the authority, including by direct loan, based on the
3 credit of the governmental entity.

4 (d) Money borrowed under this section must be segregated
5 from other funds under the control of the governmental entity and
6 may only be used for purposes related to a transportation project.

7 (e) This section does not affect the ability of a
8 governmental entity to incur debt using other statutorily
9 authorized methods.

10 (f) The authority may require governmental entities
11 receiving assistance under this section to make charges, levy
12 taxes, or otherwise provide for sufficient money to pay acquired
13 obligations.

14 (g) Except as otherwise provided by this section, a
15 governmental entity that receives financial assistance under this
16 section may issue revenue bonds for the purpose of repaying that
17 assistance without complying with any other law applicable to the
18 issuance of bonds. Notwithstanding any other provision of this
19 section, Chapters 1201, 1202, 1204, and 1371, Government Code,
20 apply to bonds issued under this section. Revenue bonds issued
21 under this section shall be authorized by order of the governmental
22 entity and shall have the form and characteristics and bear the
23 designations as are provided in the order.

24 (h) Revenue bonds shall:

25 (1) be dated;

26 (2) bear interest at the rate or rates authorized by
27 law;

1 (3) mature at the time or times, serially, as term
2 bonds, revenue bonds, or otherwise not more than 50 years after
3 their dates;

4 (4) be called before stated maturity on the terms and
5 at the prices, be in the denominations, be in the form, either
6 coupon or registered, carry registration privileges as to principal
7 only or as to both principal and interest and as to successive
8 exchange of coupon for registered bonds or one denomination for
9 bonds of other denominations, and successive exchange of registered
10 revenue bonds for coupon revenue bonds, be executed in the manner,
11 and be payable at the place or places inside or outside the state,
12 as provided in the order;

13 (5) be issued in temporary or permanent form;

14 (6) be issued in one or more installments and from time
15 to time as required and sold at a price or prices and under terms
16 determined by the governmental entity to be the most advantageous
17 reasonably obtainable; and

18 (7) be issued on a parity with and be secured in the
19 manner as other revenue bonds authorized to be issued by this
20 section or be issued without parity and secured differently from
21 other revenue bonds.

22 (i) All proceedings relating to the issuance of revenue
23 bonds issued under this section shall be submitted to the attorney
24 general for examination. On determining that the revenue bonds
25 have been authorized in accordance with law, the attorney general
26 shall approve the revenue bonds, and the revenue bonds shall be
27 registered by the comptroller. After the approval and

1 registration, the revenue bonds are incontestable in any court or
2 other forum for any reason and are valid and binding obligations in
3 accordance with their terms for all purposes.

4 (j) The proceeds received from the sale of revenue bonds may
5 be deposited with the authority.

6 SECTION 3. This Act takes effect September 1, 2025.