

By: Paxton, Hagenbuch, Parker

S.B. No. 1557

A BILL TO BE ENTITLED

AN ACT

relating to powers of regional transportation authorities.

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

SECTION 1. Subchapter E, Chapter 452, Transportation Code, is amended by adding Section 452.204 to read as follows:

Sec. 452.204. GENERAL MOBILITY PROGRAM. (a) Each municipality in an authority consisting of one subregion governed by a subregional board created under Subchapter O shall enter into an agreement with the subregional board under which up to 25 percent of the sales and use tax imposed by the authority in that municipality may be used by that municipality for a general mobility program that includes:

(1) constructing and maintaining sidewalks, hiking trails, and biking trails, highways and local and arterial streets, thoroughfares, and other roads, including bridges and grade separations;

(2) installing, operating, and maintaining streetlights and traffic control improvements, including traffic signals; or

(3) making drainage improvements and taking drainage-related measures as reasonable and necessary for the effective use of the transportation facility being installed, constructed, operated, or maintained under Subdivision (1) or (2).

(b) Under an agreement entered into under Subsection (a), a

1 municipality shall annually provide to the subregional board a list  
2 of projects the municipality intends to fund through the program.

3 (c) Of the sales and use tax available to a municipality  
4 through the general mobility program each year:

5 (1) 50 percent shall be made available to the  
6 municipality on the first day of the authority's fiscal year; and

7 (2) 50 percent shall be made available to the  
8 municipality on a reimbursement basis before the end of the  
9 authority's fiscal year.

10 (d) Any money made available to a municipality under  
11 Subsection (c) that is unused by the municipality in the period  
12 described by that subsection must be used by the authority to pay  
13 down any outstanding debt that is secured by a sales and use tax  
14 rate imposed at a rate of one percent. A payment made under this  
15 subsection is in addition to any annual debt payment required of the  
16 authority.

17 SECTION 2. Section [452.357](#)(a), Transportation Code, is  
18 amended to read as follows:

19 (a) To secure the payment of an authority's bonds, the  
20 authority may:

21 (1) pledge not more than 75 percent [~~all or part~~] of  
22 revenue realized from any tax that the authority may impose;

23 (2) pledge any part of the revenue of the public  
24 transportation system;

25 (3) mortgage any part of the public transportation  
26 system, including any part of the system subsequently acquired;

27 (4) pledge all or part of funds the federal government

1 has committed to the authority as grants in aid; and

2 (5) provide that a pledge of revenue described by  
3 Subdivision (1) or (2) is a first lien or charge against that  
4 revenue.

5 SECTION 3. Section 452.358, Transportation Code, is amended  
6 to read as follows:

7 Sec. 452.358. USE OF REVENUE. Revenue in excess of amounts  
8 pledged under Section 452.357(a)(1) or (2) shall be used to:

9 (1) pay the expenses of operation and maintenance of a  
10 public transportation system, including salaries, labor,  
11 materials, and repairs necessary to provide efficient service and  
12 every other proper item of expense; ~~and~~

13 (2) fund operating reserves; and

14 (3) fund a general mobility program established under  
15 Section 452.204.

16 SECTION 4. Section 452.401(a), Transportation Code, is  
17 amended to read as follows:

18 (a) The executive committee may impose for an authority a  
19 sales and use tax at the rate of:

20 (1) one-quarter of one percent;

21 (2) one-half of one percent; or

22 (3) three-quarters of one percent [~~, or~~

23 [~~(4) one percent~~].

24 SECTION 5. Section 452.651(c), Transportation Code, is  
25 amended to read as follows:

26 (c) An election to withdraw may not be ordered, and a  
27 petition for an election to withdraw may not be accepted for filing,

1 more frequently than once during each period of 12 months preceding  
2 the anniversary of the date of the election confirming the  
3 authority. If the unit of election is located in an authority  
4 consisting of one subregion governed by a subregional board created  
5 under Subchapter O, an election for withdrawal of the unit of  
6 election under this section may not be ordered, and a petition for  
7 withdrawal may not be accepted, more frequently than once during  
8 1996 and during each third [~~sixth~~] calendar year after that year.

9 SECTION 6. Subchapter Q, Chapter 452, Transportation Code,  
10 is amended by adding Section 452.6545 to read as follows:

11 Sec. 452.6545. EFFECT OF NOTICE OF ELECTION ON CERTAIN  
12 AUTHORITY TO ISSUE OBLIGATIONS. Notwithstanding Subchapter H, on  
13 receipt by the executive committee of the authority of a notice  
14 provided under Section 452.655(c), the authority may not issue  
15 notes, bonds, or other obligations if the issuance would cause the  
16 financial obligation of the unit of election under Section  
17 452.659(a) to accrue because the amount in Section 452.659(b)(3)  
18 would increase. This limitation on issuance continues until:

19 (1) the effective date of the withdrawal of the unit of  
20 election from the authority, if after an election held under  
21 Section 452.655 less than a majority of the votes received on the  
22 measure in the election favor the proposition; or

23 (2) the day after the date of the canvass of an  
24 election held under Section 452.655, if a majority of the votes  
25 received on the measure in the election favor the proposition.

26 SECTION 7. Section 452.658(a), Transportation Code, is  
27 amended to read as follows:

1 (a) Until the amount of revenue from an authority's sales  
2 and use tax collected in a withdrawn unit of election after the  
3 effective date of withdrawal and paid to the authority equals the  
4 total financial obligation of the unit, the sales and use tax  
5 continues to be collected in the territory of the election unit at  
6 the rate:

7 (1) at which the tax was imposed; or

8 (2) of one-half of one percent if:

9 (A) the tax was imposed at the rate of one  
10 percent; and

11 (B) the governing body of the withdrawn unit of  
12 election approves the collection of the tax at the lower rate.

13 SECTION 8. (a) Sections 452.357(a) and 452.401(a),  
14 Transportation Code, as amended by this Act, do not apply to the  
15 imposition of a sales and use tax in a regional transportation  
16 authority that, before the effective date of this Act, has pledged  
17 the revenue from the tax imposed at the rate of one percent as  
18 security for bonds issued by the authority. The imposition of a  
19 sales and use tax in a regional transportation authority that has  
20 pledged the revenue from the tax imposed at the rate of one percent  
21 as security for bonds issued by the authority before the effective  
22 date of this Act is governed by the law in effect when the revenue  
23 was pledged, and that law is continued in effect for that purpose.

24 (b) The executive committee of a regional transportation  
25 authority may, under Section 452.405, Transportation Code, order  
26 the decrease in the rate at which a sales and use tax is collected in  
27 an authority described by Subsection (a) of this section only

1 after:

2           (1) all of the bonds and interest on the bonds that are  
3 payable from or secured by a sales and use tax imposed at the rate of  
4 one percent have been paid by the issuer of the bonds or another  
5 person with the consent or approval of the issuer; or

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

11           SECTION 9. This Act takes effect September 1, 2025.