

BILL ANALYSIS

Senate Research Center

S.B. 1536
By: Fraser
Transportation & Homeland Security
3/26/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, counties are authorized to use pass-through financing agreements, which allow for public or private entities to construct state highway projects and receive payment from the Texas Department of Transportation (TxDOT) following the completion of the project. TxDOT provides a stream of revenue to the participating municipality to secure and repay bonds issued by the county in financing said projects. Providing this same authority to municipalities might provide a way for municipalities to move forward with transportation projects knowing that the costs will be repaid over time, which may accelerate the financing and completion of those projects.

As proposed, S.B. 1536 authorizes municipalities to issue bonds to finance a non-toll project or facility on the state highway system located in the municipality or as a continuation of the project or facility in an adjacent jurisdiction.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle J, Title 9, Government Code, by adding Chapter 1510, as follows:

CHAPTER 1510. BONDS FOR HIGHWAY PROJECTS OR FACILITIES

Sec. 1510.001. DEFINITION. Defines "state highway system."

Sec. 1510.002. AUTHORITY TO ISSUE BONDS. (a) Authorizes a municipality to issue bonds to provide funds for certain activities relating to a non-toll project or facility on the state highway system located in the municipality or as a continuation of the project or facility in an adjacent jurisdiction.

(b) Authorizes a municipality, in providing for the payment of bonds issued under this section (bonds), to pledge revenue from certain available sources, to pledge, levy, or collect taxes, subject to constitutional limitation, or to pledge any combination of said revenue and said taxes.

(c) Requires any election required to permit action under Subsection (b) to be held in conformance with the Election Code or other law applicable to the municipality.

(d) Authorizes a municipality that issues bonds to exercise any of the rights and powers granted to the governing body of an issuer under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

(e) Requires a bond issued under this subsection to mature not later than 40 years after its date of issuance.

(f) Provides that this section is wholly sufficient authority for a municipality regarding the issuance of bonds, the pledge of revenues, taxes, or any combination of revenues and taxes, and the performance of other acts and procedures authorized by this section without reference to any other provision of law or other restrictions or limitations contained in those provisions, except as specifically provided by this section. Requires this section to prevail and control to the extent of any conflict or inconsistency between this section and any other law. Authorizes a municipality to use any law not in conflict with this section to the extent convenient or necessary to carry out any power or authority, expressed or implied, granted by this section.

SECTION 2. Effective date: upon passage or September 1, 2007.