

BILL ANALYSIS

Senate Research Center
85R6441 MTB-D

S.B. 2139
By: Lucio
Transportation
4/24/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is no regional transit authority (RTA) in the counties of Hidalgo, Cameron, and Willacy to aid in creating, developing, and maintaining means of public transit. RTAs have been formed in other areas of the state and have proven essential in providing efficient transportation services to the public. As the Rio Grande Valley continues to grow at one of the fastest paces in the country, let alone the state, there is a need for regional oversight and coordination of public transit services.

S.B. 2139 creates a regional transit authority among Hidalgo, Cameron, and Willacy counties in order to provide for a united comprehensive effort in the development and sustainability of regional public transit services in the area.

As proposed, S.B. 2139 amends current law relating to the creation of regional transit authorities, grants the power of eminent domain, provides the authority to issue bonds and charge fees, and creates a criminal offense.

RULEMAKING RTA

Rulemaking authority is expressly granted to the executive committee of a certain regional transit authority in SECTION 1 (Sections 463.105 and 463.254, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle K, Title 6, Transportation Code, by adding Chapter 463, as follows:

CHAPTER 463. REGIONAL TRANSIT AUTHORITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 463.001. DEFINITIONS. Defines "authority," "complementary transportation services," "executive committee," "mass transit system," "public transportation system," "regional high capacity transit," and "service plan."

Sec. 463.002. APPLICATION. Provides that this chapter applies to a county that is contiguous to the Gulf of Mexico or a bay or inlet opening into the gulf and that borders the United Mexican States, and a county that borders a described county.

Sec. 463.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION SERVICES. Provides that this chapter does not prohibit a municipality from providing public transportation services. Authorizes a regional transit authority (RTA) to coordinate the provision of services with the municipality and include the services provided by the municipality in the RTA's service plan.

SUBCHAPTER B. POWERS OF AUTHORITIES

Sec. 463.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY. Provides that this subchapter applies only to an RTA that has been confirmed.

Sec. 463.052. NATURE OF AUTHORITY. (a) Provides that an RTA is a public political entity and corporate body, has perpetual succession, and exercises public and essential governmental functions.

(b) Provides that the exercise of a power granted by this chapter, including a power relating to a station or terminal complex, is for a public purpose and is a matter of public necessity.

(c) Provides that an RTA is a governmental unit under Chapter 101 (Tort Claims), Civil Practice and Remedies Code, and the operations of the RTA are not proprietary functions for any purpose including the application of Chapter 101, Civil Practice and Remedies Code.

Sec. 463.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY. Provides that the executive committee of the RTA (executive committee) is responsible for the management, operation, and control of an RTA and its property, except as provided by Section 463.104.

Sec. 463.054. GENERAL POWERS OF AUTHORITY. (a) Provides that an RTA has any power necessary or convenient to carry out or to effect a purpose of this chapter.

(b) Authorizes an RTA to sue and be sued. Prohibits an RTA from being required to give security for costs in a suit brought or prosecuted by the RTA and from being required to give a supersedeas or cost bond in an appeal of a judgment.

(c) Authorizes an RTA to hold, use, sell, lease, dispose of, and acquire, by any means, property and licenses, patents, rights, and other interests necessary, convenient, or useful to the exercise of any power under this chapter.

(d) Authorizes an RTA to sell, lease, or dispose of in another manner any right, interest, or property of the RTA that is not needed for, or, if a lease, is inconsistent with, the efficient operation and maintenance of the public transportation system; or, at any time, surplus materials or other property that is not needed for the requirements of the RTA or for carrying out a power under this chapter.

(e) Authorizes an RTA to leverage funds with a municipality that provides public transportation services in the territory of the RTA to finance a project.

Sec. 463.055. CONTRACTS; GRANTS AND LOANS. (a) Authorizes an RTA to contract with any person.

(b) Authorizes an RTA to accept a grant or loan from any person.

(c) Authorizes an RTA to enter one or more agreements with any municipality included in the territory of the RTA for the distribution of the RTA's revenue.

(d) Authorizes an RTA to enter into a contract with a private entity under Chapter 2267 (Public and Private Facilities and Infrastructure), Government Code.

Sec. 463.056. OPERATION OF PUBLIC TRANSPORTATION SYSTEM. (a) Authorizes an RTA to:

(1) acquire, construct, develop, plan, own, operate, and maintain a public transportation system in the RTA's territory, including the territory of a political subdivision;

(2) contract with a municipality, county, or other political subdivision for the RTA to provide public transportation services outside the RTA; and

(3) lease all or part of the public transportation system to, or contract for the operation of all or a part of the public transportation system by, an operator.

(b) Requires an RTA, as the RTA determines advisable, to determine routes.

(c) Authorizes the executive committee to submit a referendum for the approval of a power granted by Subsection (a) or (b).

(d) Provides that a private operator who contracts with an RTA under this chapter is not a public entity for purposes of any law of this state except that an independent contractor of the RTA that performs a function of the RTA is liable for damages only to the extent that the RTA would be liable if the RTA itself were performing the function.

Sec. 463.057. ACQUISITION OF PROPERTY BY AGREEMENT. Authorizes an RTA to acquire rolling stock or other property under a contract or trust agreement, including a conditional sales contract, lease, and equipment trust certificate.

Sec. 463.058. USE AND ACQUISITION OF PROPERTY OF OTHERS. (a) Authorizes an RTA, for a purpose described by Section 463.056(a)(1) and as necessary or useful in the construction, repair, maintenance, or operation of the public transportation system, to use a public way, including an alley, and to directly, or indirectly by another person, relocate or reroute the property of another person or alter the construction of the property of another person.

(b) Authorizes an RTA, for an authorized act, to contract with the owner of the property to allow the owner to make the relocation, rerouting, or alteration by the owner's own means or through a contractor of the owner. Authorizes the contract to provide for reimbursement of the owner for costs or payment to the contractor.

(c) Authorizes an RTA, except as otherwise provided by this subsection, to acquire by eminent domain any interest in real property, including a fee simple interest. Prohibits the right of eminent domain from being exercised in a manner that would authorize the RTA to run an RTA vehicle on a railroad track that is used to transport property.

(d) Requires that, if an RTA, through the exercise of a power under this chapter, makes necessary the relocation or rerouting of, or alteration of the construction of, certain items or associated property, the relocation or rerouting or alteration of the construction be accomplished at the sole cost and expense of the RTA, and damages that are incurred by an owner of the property be paid by the RTA.

(e) Prohibits an RTA from beginning an activity authorized under Subsection (a) to alter or damage property of others, including this state or a political subdivision of this state, without having first received the written permission of the owner.

(f) Provides that Subsection (e) does not apply if the power of eminent domain is exercised.

Sec. 463.059. EMINENT DOMAIN PROCEEDINGS. (a) Provides that an eminent domain proceeding by an RTA is initiated by the adoption by the executive committee of a resolution, after a certain notice and hearing.

(b) Provides that a resolution adopted under this section is conclusive evidence of the public necessity for the acquisition described in the resolution and that the property interest is necessary for public use.

(c) Provides that Chapter 21 (Eminent Domain), Property Code, applies to an eminent domain proceeding by an RTA, except as otherwise provided by this chapter.

Sec. 463.060. AGREEMENT WITH UTILITIES; CARRIERS. Authorizes an RTA to agree with any other public or private utility, communication system, common carrier, or transportation system for the joint use in the RTA of the property of the agreeing entities or the establishment of through routes, joint fares, or transfers of passengers.

Sec. 463.061. FARES AND OTHER CHARGES. (a) Requires an RTA to impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the public transportation system sufficient to produce revenue, together with grants received by the RTA, in an amount adequate to:

(1) pay all expenses necessary to operate and maintain the public transportation system;

(2) pay when due the principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the RTA and payable wholly or partly from the revenue; and

(3) fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.

(b) Provides that it is intended by this chapter that the compensation imposed under Subsection (a) not exceed the amounts necessary to produce revenue sufficient to meet the RTA's obligations under this chapter.

(c) Authorizes compensation for the use of the public transportation system to be set according to a zone system or to another classification that the RTA determines to be reasonable.

(d) Provides that the state agrees with holders of bonds issued under this chapter not to alter the power given to an RTA under this section to impose fares, tolls, charges, rents, and other compensation in amounts sufficient to comply with Subsection (a), or to impair the rights and remedies of an RTA bondholder, or a person acting on behalf of a bondholder, until the bonds, interest on the bonds, interest on unpaid installments of interest, costs and expenses in connection with an action or proceeding by or on behalf of a bondholder, and other obligations of the RTA in connection with the bonds are discharged.

Sec. 463.062. ENFORCEMENT OF FARES AND OTHER CHARGES; PENALTIES.

(a) Authorizes an executive committee by resolution to prohibit the use of the public transportation system by a person without payment of the appropriate fare for the use of the system and to establish reasonable and appropriate methods to ensure that persons using the public transportation system pay the appropriate fare for that use.

(b) Authorizes an executive committee by resolution to provide that a fare for or charge for the use of the public transportation system that is not paid incurs a reasonable administrative fee.

(c) Requires an RTA to post signs designating each area in which a person is prohibited from using the transportation system without payment of the appropriate fare.

(d) Provides that a person commits an offense if the person or another for whom the person is criminally responsible under Section 7.02 (Criminal Responsibility for Conduct of Another), Penal Code, uses the public transportation system without paying the appropriate fare.

(e) Provides that, if the person fails to provide proof that the person paid the appropriate fare for the use of the public transportation system and fails to pay any administrative fee assessed under Subsection (b) on or before a certain date, it is prima facie evidence that the person used the public transportation system without paying the appropriate fare.

(f) Authorizes the notice required by Subsection (e) to be included in a citation issued to the person by a peace officer under Article 14.06 (Must Take Offender Before Magistrate), Code of Criminal Procedure, or by a fare enforcement officer under Section 463.063, in connection with an offense relating to the nonpayment of the appropriate fare for the use of the public transportation.

(g) Provides that it is an exception to the application of Subsection (d) that on or before the 30th day after the date the RTA notified the person that the person is required to pay a certain amount of the fare and any administrative fee assessed under Subsection (b), the person took certain actions in response to the notification.

(h) Provides that an offense under Subsection (d) is a misdemeanor and is not a crime of moral turpitude.

(i) Authorizes a justice court located in the RTA's territory to enter into an agreement with the RTA to try all criminal cases that arise under Subsection (d). Provides that, notwithstanding Articles 4.12 (Misdemeanor Cases; Precinct in Which Defendant to Be Tried in Justice Court), and 4.14 (Jurisdiction of Municipal Court), Code of Criminal Procedure, if a justice court enters into an agreement with the RTA a criminal case that arises under Subsection (d) must be tried in the justice court, and the justice court has exclusive jurisdiction in all criminal cases that arise under Subsection (d).

Sec. 463.063. FARE ENFORCEMENT OFFICERS. (a) Authorizes an RTA to employ or contract for persons to serve as fare enforcement officers to enforce the payment of fares for use of the public transportation system by certain actions.

(b) Requires a person, before commencing duties as a fare enforcement officer, to complete at least eight hours of training approved by the RTA that is appropriate to the duties required of a fare enforcement officer.

(c) Requires a fare enforcement officer, while performing duties, to wear a distinctive uniform, badge, or insignia that identifies the person as a fare enforcement officer; and work under the direction of the RTA's chief administrative officer.

(d) Authorizes a fare enforcement officer to take certain actions.

(e) Prohibits a fare enforcement officer from carrying a weapon while performing duties under this section unless the officer is a certified peace officer.

(f) Provides that a fare enforcement officer who is not a certified peace officer is not a peace officer and has no authority to enforce a criminal law, except as provided by this section.

Sec. 463.064. ENFORCEMENT OF HIGH OCCUPANCY VEHICLE LANE USAGE.

(a) Authorizes an executive committee by resolution to regulate or prohibit improper entrance into, exit from, and vehicle occupancy in high occupancy vehicle lanes operated, managed, or maintained by the RTA.

(b) Authorizes executive committee by resolution to establish reasonable and appropriate methods to enforce regulations or prohibitions established under Subsection (a).

Sec. 463.065. INSURANCE. (a) Authorizes an RTA to insure, through purchased insurance policies or self-insurance programs, or both, the legal liability of the RTA and of its contractors and subcontractors arising from the acquisition, construction, or operation of certain programs and facilities of the RTA.

(b) Authorizes an RTA to use contracts, rating plans, and risk management programs designed to encourage accident prevention.

(c) Authorizes an RTA, in developing an insurance or self-insurance program, to consider the peculiar hazards, indemnity standards, and past and prospective loss and expense experience of the RTA and of its contractors and subcontractors.

Sec. 463.066. TAX EXEMPTION. Provides that the property, revenue, and income of an RTA are exempt from state and local taxes.

Sec. 463.067. MASS TRANSIT SYSTEM: REGULATORY EXEMPTION. (a) Provides that an RTA that constructs or operates or contracts with another entity to construct or operate a rail mass transit system is not subject to any state law regulating or governing the design, construction, or operation of a railroad, railway, street railway, streetcar, or interurban railway.

(b) Provides that for purposes of ownership or transfer of ownership of an interest in real property, a rail mass transit system line operating on property previously used by a railroad, railway, street railway, or interurban railway is a continuation of existing rail use.

Sec. 463.068. ELECTIONS. (a) Provides that in an election ordered by the executive committee, the executive committee is required to give notice of the election by publication in a newspaper of general circulation in the RTA at least once each week for three consecutive weeks, with the first publication occurring at least 21 days before the date of election; and requires a resolution ordering the election and the election notice to show, in addition to the requirements of the Election Code, the hours of the election and polling places in election precincts.

(b) Provides that Subsection (a) does not apply to an election under Section 463.309.

(c) Requires a copy of the notice of each election held under this chapter to be furnished to the Texas Transportation Commission (TTC) and the Texas comptroller of public accounts (comptroller).

Sec. 463.069. ADDITIONAL FEE. (a) Authorizes an entity that operates an international bridge to impose a certain fee for the use of the bridge, in addition to a toll or charge imposed under Section 367.011 (Tolls and Charges) or other law.

(b) Requires that the entity enter into a written agreement with an RTA relating to the imposition and disposition of the fee before a fee may be imposed under this section. Requires the agreement to provide for collection of the fee by the entity and remittance of the RTA's portion of the fee to the RTA each month.

(c) Provides that of the fees collected, 25 percent is required to be retained by the entity for transportation projects or complementary transportation services; 50 percent is required to be used for a rail mass transit system; and 25 percent is required to be used for regional high capacity transit.

(d) Authorizes the percentage described by Subsection (c)(3) (relating to requiring 25 percent of the fees collected to be used for regional high capacity transit) to be retained by the entity if the entity is a mass transit provider and mass transit was provided in the municipality in which the international bridge is located on or before January 1, 2017.

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

Sec. 463.101. POWERS AND AUTHORITY OF EXECUTIVE COMMITTEE. (a) Authorizes the executive committee to:

- (1) employ and prescribe the compensation for a chief executive officer whom the executive committee may designate as the general manager or the executive director;
- (2) appoint auditors and attorneys and prescribe their duties, compensation, and tenure;
- (3) adopt a seal for the RTA;
- (4) set the fiscal year for the RTA;
- (5) establish a complete system of accounts for the RTA;
- (6) designate by resolution an authorized representative of the RTA to, according to terms prescribed by the executive committee, invest RTA funds and withdraw money from RTA accounts for investments; and
- (7) designate by resolution an authorized representative of the RTA to supervise the substitution of securities pledged to secure RTA funds.

(b) Provides that the executive committee is the local designated recipient of funds committed to the RTA by the federal government.

Sec. 463.102. INVESTMENTS. Requires the executive committee to invest RTA funds in any investment authorized for an entity under Chapter 2256 (Public Funds Investment), Government Code.

Sec. 463.103. DEPOSITORY; DEPOSIT OF FUNDS. (a) Requires the executive committee to designate one or more banks as depositories for RTA funds.

(b) Requires all RTA funds that are not otherwise invested to be deposited in one or more of the RTA's depository banks unless otherwise required by an order or resolution authorizing the issuance of an RTA bond or note or other contractual undertaking.

(c) Requires funds in a depository, to the extent that those funds are not insured by the Federal Deposit Insurance Corporation, to be secured in the manner provided by law for the security of county funds.

Sec. 463.104. CHIEF EXECUTIVE: DUTIES. (a) Requires the general manager or executive director to administer the daily operation of an RTA.

(b) Authorizes the general manager or executive director, in conformity with the policy of the of the executive committee to employ persons to conduct the RTA affairs, including any operating or management company and to remove any employee.

(c) Requires the general manager or executive director to prescribe the duties, tenure, and compensation of each person employed.

Sec. 463.105. RULES. (a) Authorizes the executive committee by resolution to adopt certain rules for the public transportation system and RTA.

(b) Requires the RTA to encourage to the maximum extent feasible the participation on private enterprise.

(c) Requires a notice of each rule adopted by the executive committee to be published in a newspaper with general circulation in the area in which the RTA is located once each week for two consecutive weeks after adoption of the rule. Requires the notice to contain a condensed statement of the substance of the rule and to advise that a copy of the complete text of the rule is filed in the RTA's principal office where the text may be read by any person.

(d) Provides that a rule becomes effective 10 days after the date of the second publication of the notice under this section.

Sec. 463.106. PURCHASES: COMPETITIVE BIDDING. (a) Prohibits an RTA from awarding a contract for construction, services, or property, other than real property, except through the solicitation of competitive sealed bids or proposals ensuring full and open competition, except as provided by Subsection (c) and as otherwise provided by this chapter.

(b) Requires the RTA to describe in a solicitation each factor to be used to evaluate bid or proposal and give the factor's relative importance.

(c) Authorizes the executive committee to authorize the negotiation of certain contracts without competitive sealed bids or proposals.

(d) Provides that for the purposes of entering into a certain contract, an RTA is considered a "governmental entity" as described by Section 2269.002 (Applicability of Chapter to Governmental Entities Engaged in Public Works), Government Code.

Sec. 463.107. DURATION OF CONTRACTS. Authorizes an RTA to contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the RTA's contractual obligations by any method, including committing current year funds or cancellation charges and making the contract subject to the future availability of funds.

Sec. 463.108. SECURITY. Authorizes the executive committee to establish a security force and provide for the employment of security personnel.

Sec. 463.109. BUDGET RECOMMENDATIONS. Requires the executive committee to make a proposed annual budget available to the commissioners courts of the counties in the RTA at least 30 days before the date of the adoption by the executive committee of the final annual budget.

Sec. 463.110. FINANCIAL AUDITS. (a) Requires the executive committee of an RTA to have an annual audit of the affairs of the RTA prepared by an independent certified public accountant or a firm of independent certified public accountants.

(b) Provides that the final audit report is open to public inspection.

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Sec. 463.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN. (a) Prohibits an RTA from acquiring an interest in real property for a station or terminal complex unless the station or terminal complex is included in the public transportation system in a comprehensive service plan approved by a resolution of the executive committee.

Provides that a mass transit facility of an RTA is not a station or terminal complex under this subchapter unless the facility is included in the RTA's comprehensive service plan under this section.

(b) Prohibits a station or terminal complex from being included in a public transportation system unless the executive committee first finds that the station or complex:

(1) will encourage and provide for efficient and economical public transportation;

(2) will facilitate access to public transportation and provide for other public transportation purposes;

(3) will reduce vehicular congestion and air pollution; and

(4) is reasonably essential to the successful operation of the public transportation system.

(c) Authorizes the executive committee, on making a finding under Subsection (b), to amend the RTA's comprehensive service plan to include a station or terminal complex.

Sec. 463.152. STATION OR TERMINAL COMPLEX: FACILITIES. Provides that an RTA's station or terminal complex:

(1) is required to include adequate provisions for the transfer of passengers among the various means of transportation available to the complex; and

(2) is authorized to include provisions for residential, institutional, recreational, commercial, and industrial facilities.

Sec. 463.153. STATION OR TERMINAL COMPLEX: LOCATION. Requires an RTA to determine the location of a station or terminal complex after notice and a hearing.

Sec. 463.154. TRANSFER OF REAL PROPERTY IN STATION OR TERMINAL COMPLEX. (a) Authorizes an RTA to transfer to any person by any means, including sale or lease, an interest in real property in a station or terminal complex and to contract with respect to it, in accordance with the comprehensive service plan approved by the executive committee, and subject to certain terms.

(b) Requires a transfer to be at the fair value of the interest transferred considering the use designated for the real property in the RTA's comprehensive service plan.

SUBCHAPTER E. BONDS

Sec. 463.201. DEFINITION. Defines "bond."

Sec. 463.202. POWER TO ISSUE BONDS. Authorizes an RTA to issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its public transportation system; or creating or funding self-insurance or retirement or pension fund reserves.

Sec. 463.203. BOND TERMS. Provides that an RTA's bonds are fully negotiable. Authorizes an RTA to make the bonds redeemable before maturity at the price and subject to the terms and conditions that are provided in the RTA's resolution authorizing the bonds.

Sec. 463.204. SALE. Authorizes an RTA's bonds to be sold at a public or private sale as determined by the executive committee to be the more advantageous.

Sec. 463.205. APPROVAL; REGISTRATION. (a) Requires an RTA's bonds and the records relating to their issuance to be submitted to the Texas attorney general (attorney general) for examination before the bonds may be delivered.

(b) Requires the attorney general to approve the bonds, if the attorney general finds that the bonds have been issued in conformity with the constitution and this chapter and that the bonds will be a binding obligation of the issuing authority.

(c) Requires the comptroller, after the bonds are approved by the attorney general, to register the bonds.

Sec. 463.206. INCONTESTABILITY. Provides that bonds are incontestable after they are approved by the attorney general, registered by the comptroller, and sold and delivered to the purchaser.

Sec. 463.207. SECURITY PLEDGED. (a) Authorizes the RTA, to secure payment of an RTA's bonds, to:

(1) pledge any part of the revenue of the public transportation system;

(2) mortgage any part of the public transportation system, including any part of the system subsequently acquired;

(3) pledge all or part of funds the federal government has committed to the RTA as grants in aid; and

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

(b) Authorizes an RTA under Subsection (a)(2) to, subject to the terms of the bond indenture or the resolution authorizing the issuance of the bonds, encumber a separate item of the public transportation system and acquire, use, hold, or contract for the property by lease, chattel mortgage, or other conditional sale including an equipment trust transaction.

(c) Prohibits an RTA from issuing bonds secured by ad valorem tax revenue.

(d) Provides that an RTA is not prohibited by this subchapter from encumbering one or more public transportation systems to purchase, construct, extend, or repair one or more other public transportation systems of the RTA.

(e) Authorizes the RTA to pledge certain funds described by Subsection (a)(3).

Sec. 463.208. USE OF REVENUE. Requires revenue in excess of amounts pledged under Section 463.207(a)(1) to be used to:

(1) pay certain expenses of operation and maintenance of a public transportation system; and

(2) fund operating reserves.

Sec. 463.209. REFUNDING BONDS. Authorizes an RTA to issue refunding bonds for the purposes and in the manner authorized by general law, including Chapter 1207 (Refunding Bonds), Government Code.

Sec. 463.210. BONDS AS AUTHORIZED INVESTMENTS. (a) Provides that an RTA's bonds are authorized investments for a bank, a savings bank, a trust company, a savings and loan association, and an insurance company.

(b) Provides that the bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face or market values, are eligible to secure the deposit of public funds of this state, a political subdivision of this state, and any other political corporation of this state.

Sec. 463.211. EXCHANGE OF BONDS FOR EXISTING SYSTEM. Authorizes an RTA's revenue bonds to be exchanged, instead of cash, for the property of all or part of an existing public transportation system to be acquired by the RTA. Authorizes the RTA, if the property is owned by a corporation that will dissolve simultaneously with the exchange, to acquire the stock of the corporation.

Sec. 463.212. TAX EXEMPTION. Provides that the interest on bonds issued by an RTA is exempt from state and local taxes.

SUBCHAPTER F. EXECUTIVE COMMITTEE

Sec. 463.251. COMPOSITION. (a) Provides that the executive committee of an RTA is the board of directors of the regional planning commission established for the area of the RTA under Chapter 391 (Regional Planning Commissions), Local Government Code.

(b) Provides that service on the executive committee by a public officer or employee is an additional duty of the office or employment.

Sec. 463.252. OFFICERS. (a) Requires officers elected by the board of directors of the regional planning commission described by Section 463.251(a) to serve as the officers of the executive committee.

(b) Authorizes the executive committee to appoint, as necessary, members or nonmembers as assistant secretaries.

(c) Requires the secretary or assistant secretary to keep permanent records of each proceeding and transaction of the RTA, and perform other duties assigned by the executive committee.

Sec. 463.253. CONFLICTS OF INTEREST. Provides that members of the executive committee and RTA officers are subject to Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code.

Sec. 463.254. MEETINGS. (a) Requires the executive committee to hold at least one regular meeting each month to transact the RTA's business.

(b) Authorizes the presiding officer on written notice to call special meetings as necessary.

(c) Requires the executive committee by resolution to set the time, place, and day of the regular meetings and adopt rules and bylaws as necessary to conduct meetings.

Sec. 463.255. VOTING REQUIREMENTS. Provides that a majority of the members of the executive committee constitutes a quorum, and when a quorum is present, authorizes action to be taken by a majority vote of the members present unless the bylaws require a larger number for a particular action.

SUBCHAPTER G. CREATION OF AUTHORITIES

Sec. 463.301. CREATION OF RTA AUTHORIZED. Authorizes the board of directors of the regional planning commission (board) established for the area included in the boundaries of the counties to which this chapter applies to initiate the process to create an RTA to provide public transportation services within the boundaries of the counties.

Sec. 463.302. INITIATING ORDER OR RESOLUTION: CONTENTS. Requires the board, to initiate the process of creating an RTA, to adopt a resolution or order containing the designation of each time and place for holding public hearings on the proposal to create the RTA.

Sec. 463.303. NOTICE OF HEARING. (a) Requires notice of the time and place of the public hearings on the creation of the RTA to be published, beginning at least 30 days before the date of the hearing, once a week for two consecutive weeks in a newspaper of general circulation in each county.

(b) Requires the board to give a copy of the notice to TTC and the comptroller.

Sec. 463.304. CONDUCT OF HEARING. (a) Requires the board creating an RTA to conduct public hearings on the creation.

(b) Authorizes any person to appear at a hearing and offer evidence on certain information.

(c) Authorizes a hearing to be continued until completed.

Sec. 463.305. RESOLUTION OR ORDER. (a) Authorizes the board, after hearing the evidence presented at the hearings, but not earlier than 75 days after the date the process is initiated by the board, to adopt a resolution or order designating the name of the RTA and authorizing the appointment of the interim executive committee.

(b) Requires that, after the hearing, the results of the hearing to be sent to the Texas Department of Transportation (TxDOT) and the comptroller.

Sec. 463.306. INTERIM EXECUTIVE COMMITTEE. (a) Provides that the interim executive committee is composed as provided by Section 463.251 for an executive committee except that the interim executive committee is required to include an additional member who is a member of the board of directors of a commuter rail district described by Chapter 174 (Commuter Rail Districts).

(b) Requires the interim executive committee, after its organization, to develop a service plan.

(c) Provides that service on the interim executive committee by a public officer or employee is an additional duty of the office or employment.

Sec. 463.307. APPROVAL OF SERVICE PLAN. Requires the commissioners court of each county creating an RTA, not later than the 45th day after the date the interim executive committee approves the service plan, to approve, by resolution or order, the service plan.

Sec. 463.308. NOTICE OF INTENT TO ORDER ELECTION. Requires the interim executive committee, not earlier than the 61st day after the date the interim executive committee approves a service plan, to notify the commissioners court of each county included in the boundaries of the RTA of the interim executive committee's intention to call a confirmation election.

Sec. 463.309. CONFIRMATION ELECTION. Requires the interim executive committee in ordering the confirmation election to submit to the qualified voters of each county in the RTA a certain proposition. Sets forth the text of the proposition.

Sec. 463.310. CONDUCT OF ELECTION. Requires the interim executive committee to canvass the returns and declare the results of the election separately with respect to each county.

Sec. 463.311. RESULTS OF ELECTION; ORDER. (a) Provides that the RTA is confirmed if a majority of the votes received in each county favor the proposition.

(b) Requires the interim executive committee, if the RTA continues, to record the results in its minutes and adopt an order:

(1) declaring that the creation of the RTA is confirmed;

(2) stating the date of the election;

(3) containing the proposition; and

(4) showing the number of votes cast for or against the proposition in each county.

(c) Requires a certified copy of the order to be filed with TxDOT and the comptroller.

(d) Requires the interim executive committee, if the RTA does not continue, to enter an order declaring that the result of votes cast at the election is that the RTA ceases in its entirety. Requires the order to be filed with TxDOT and the comptroller, and provides that the RTA is dissolved.

Sec. 463.312. EFFECT OF CREATION. Provides that on the creation of an RTA the boundaries of which overlap the territory of a commuter rail district described by Chapter 174, the commuter rail district is dissolved, and all assets, including property, and all liabilities, including debt and other obligations, of the commuter rail district transfer to and are assumed by the RTA.

Sec. 463.313. COST OF ELECTION. Requires the board creating an RTA to pay the cost of the confirmation election.

Sec. 463.314. EXPIRATION OF UNCONFIRMED AUTHORITY. Provides that an RTA that has not been confirmed expires on the third anniversary of the effective date of a resolution or order initiating the process to create the RTA.

SECTION 2. Amends Section 174.051, Transportation Code, by adding Subsection (c) to prohibit a commuter rail district, notwithstanding certain subsections, from being created in the boundaries of an RTA under Chapter 463.

SECTION 3. Provides that Sections 463.058(c) and (f) and Section 463.059, Transportation Code, as added by Section 1 of this Act, take effect only if this Act receives a two-thirds vote of all the members elected to each house.

SECTION 4. Effective date: upon passage or September 1, 2017.