

BILL ANALYSIS

Senate Research Center
81R5094 MTB-F

S.B. 1876
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Transportation & Homeland Security
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 77th Legislature, Regular Session, 2001, enacted legislation that enabled Denton County to create a coordinated county transportation authority, Denton County Transportation Authority (DCTA) under Chapter 460 (Coordinated County Transportation Authorities), Transportation Code. As DCTA expands its public transportation services in Denton County, it needs access to the same resources available to other transportation services in the Dallas/Fort Worth area like Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority. This bill clarifies certain conditions under which DCTA may finance projects.

As proposed, S.B. 1876 prohibits a certain bond from being used by a coordinated county transportation authority (authority) until an election has been held in the municipalities in which the authority has been authorized to impose a sales and use tax and the proposition proposing the issue has been approved by a majority of the votes received on the issue. The bill authorizes the authority to mortgage any part of the public transportation system regardless of when acquired, authorizes an authority to issue obligations and enter into civil agreements, and redefines "issuer."

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 Section 460.502, Transportation Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Prohibits a bond any portion of which is secured by a pledge of sales and use tax revenues and that has a maturity of five years or longer from the date of issuance from being issued by a coordinated county transportation authority (authority) until an election has been held in the municipalities in which the authority has been authorized to impose a sales and use tax and the proposition proposing the issue has been approved by a majority of the votes received on the issue. Deletes existing text prohibiting a bond any portion of which is secured by a pledge of sales and use tax revenues and that has a maturity of five years or longer from the date of issuance from being issued by an authority until an election has been held the proposition proposing the issue has been approved by a majority of the votes received on the issue in accordance with the provisions established for the authorization of a tax levy under Subchapter C (relating to the maturity of a bond issued by the authority).

(e) Provides that Subsection (d) does not apply to the issuance of refunding bonds or bonds described by Subsection (b)(2) (relating to bonds issued for the creation or funding of self-insurance or retirement or pension fund reserves).

SECTION 2. Amends Section 460.506, Transportation Code, to authorize the authority, to secure the payment of an authority's bonds, to mortgage any part of the public transportation system regardless of when acquired.

SECTION 3. Amends Subchapter G, Chapter 460, Transportation Code, by adding Section 460.509, as follows:

Sec. 460.509. OBLIGATIONS AND CREDIT AGREEMENTS. Authorizes an authority to issue obligations and enter into credit agreements under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

SECTION 4. Amends Section 1371.001(4), Government Code, to redefine "issuer."

SECTION 5. (a) Provides that any act or proceeding of an authority is validated as of the date it occurred.

(b) Provides that this Act does not validate any governmental act or proceeding that, under the law of this state at the time the act or proceeding occurred, was a misdemeanor offense or a felony offense.

SECTION 6. Effective date: September 1, 2009.