

BILL ANALYSIS

Senate Research Center
82R28175 JAM-F

C.S.H.B. 2396
By: McClendon (Zaffirini)
Transportation & Homeland Security
5/19/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law authorizes an advanced transportation district created under provisions of law relating to metropolitan rapid transit authorities to issue bonds at any time and for any amounts the district considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its transit authority system. The district's governing body, by resolution, may authorize the issuance of bonds payable solely from revenue.

C.S.H.B. 2396 amends current law relating to the pledge of advanced transportation district sales and use taxes to certain bonds.

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 451.702, Transportation Code, by amending Subsections (a) and (l) and adding Subsection (l-1), as follows:

(a) Authorizes the board of an authority in which the sales and use tax is imposed at a rate of one-half of one percent and in which the principal municipality has a population of more than 1.3 million, rather than 700,000, to order an election to create an advanced transportation district within the authority's boundaries and to impose a sales and use tax for advanced transportation and mobility enhancement under this subchapter.

(l) Authorizes the governing body of a district, notwithstanding any other provision of this chapter, by order or resolution, to without the necessity of an election specifically concerning the matter:

(1) pledge the sales and use tax proceeds identified in Subsection (f) (relating to requiring the district to use one-half of the proceeds of the sales and use tax only for advanced transportation purposes as determined by the governing board of the district) from a sales and use tax imposed by an election held under this section after May 21, 1999, to one more series of sales and use tax revenue bonds issued under Subchapter H (Bonds); and

(2) enter into an agreement or contractual agreement under Subsection (k) (authorizing the governing body of the district to enter into certain agreements).

Deletes existing text authorizing the governing board of the district to enter into an agreement or contractual arrangement under Subsection (k) without the necessity of an election.

(l-1) Prohibits the governing body of a district from pledging sales and use tax proceeds under Subsection (l) unless the board has conducted a public hearing concerning the issuance of the bonds to which the proceeds are pledged and published notice of the

hearing at least 14 days before the date of the hearing in a newspaper of general circulation in the principal municipality of the authority.

SECTION 2. Effective date: September 1, 2011.