

## **BILL ANALYSIS**

Senate Research Center  
82R422 JAM-F

S.B. 246  
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Transportation & Homeland Security  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, regional tollway authorities, like the North Texas Tollway Authority (NTTA), are required to collect tolls for all projects in their service area regardless of whether or not they built the project. Companies developing projects within the authority's service area request letters of credit (LOCs) as a way to guarantee revenue collected by the authority will be received by the private entity. With several managed lanes planned for future development, requiring NTTA to obtain a LOC on every project could encumber \$200-300 million on its balance sheet to secure LOCs, which would negatively impact the NTTA's bonding capacity.

S.B. 246 removes the requirement for a performance guarantee if it were to negatively impact the financial stability of the regional tollway authority.

As proposed, S.B. 246 amends current law relating to financial security required of regional tollway authorities in connection with the provision of toll collection services.

### **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 366.038, Transportation Code, as follows:

- (a) Creates this subsection from existing text. Makes no further changes.
- (b) Prohibits a regional tollway authority organized under this chapter (authority) from providing financial security, including a cash collateral account, for the performance of tolling services the authority provides under this section if:
  - (1) the authority determines that providing security could restrict the amount, or increase the cost, of bonds or other debt obligations the authority may subsequently issue under this chapter; or
  - (2) the authority is not reimbursed its cost of providing the security.

SECTION 2. Effective date: upon passage or September 1, 2011.