

BILL ANALYSIS

Senate Research Center

H.B. 3777
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Administration
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The transportation authorities in Fort Worth and Dallas were established under and are governed by Chapter 452 of the Transportation Code. In 1995, it was determined that certain provisions relating to the governance of the transportation authorities in these two cities needed to be specific to each city. As a result, a new Subchapter N in Chapter 452 was created that year to set forth special provisions that applied only to authorities created in cities with a population of less than 800,000 (Fort Worth), and a second new Subchapter O was created to apply to cities with a population of more than 800,000 (Dallas).

Since that time, the populations of both cities have grown substantially. Population estimates indicate that Fort Worth is expected to pass this population cap of 800,000 in the very near future. This does not impact Dallas given the wording of the statute (population above 800,000), but it does impact Fort Worth, which would then be governed under subchapter O.

H.B. 3777 updates the decades-old statute by changing the population cap from 800,000 to 1.1 million according to the most recent federal decennial census. This change would ensure that Dallas' and Fort Worth's respective transportation authorities would continue to be governed under their intended statutory language.

In addition to updating the population cap, H.B. 3777 increases the size of the board from nine to 11 members, and includes language addressing the possible withdrawal of a member city.

H.B. 3777 amends current law relating to the establishment and governance of certain regional transportation authorities.

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 321.101(b), Tax Code, as follows:

(b) Provides that a municipality is disqualified from adopting the additional sales and use tax if the municipality:

(1) Makes no change to this subdivision;

(2) is included within the boundaries of a regional transportation authority created under Chapter 452 (Regional Transportation Authorities), Transportation Code, by a principal municipality having a population of less than 1.1 million according to the most recent federal decennial census, rather than a population of less than 800,000, unless the municipality has a population of 400,000 or more and is located in more than one county;

(3) is wholly or partly located in a county that contains territory within the boundaries of a regional transportation authority created under Chapter 452,

Transportation Code, by a principal municipality having a population in excess of 1.1 million according to the most recent federal decennial census, rather than a population in excess of 800,000, unless the municipality meets certain conditions;

(4) Makes no change to this subdivision.

SECTION 2. Amends Section 321.1025(a), Tax Code, to authorize a municipality that is wholly or partly located in a county that contains territory within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000, and that has adopted an additional sales and use tax for the benefit of the municipality to hold an election on the question of whether the municipality shall be annexed to the authority.

SECTION 3. Amends Section 452.201(a), Transportation Code, to authorize an authority consisting of one subregion governed by a subregional board created under Subchapter N (Subregional Board in Authority Having No Municipality with Population of More Than 1.1 Million) or O (Subregional Board in Subregion Having Principal Municipality with Population of More Than 1.1 Million) to establish a program reasonably designed to increase the participation of minority and women-owned business enterprises in contracts awarded by the authority. Makes no further than to this subsection.

SECTION 4. Amends Section 452.502(a), Transportation Code, as follows:

(a) Provides that the executive committee of a regional transportation authority confirmed in more than one subregion is composed of 11 members selected as follows:

(1) seven members from the membership of the subregional board in the subregion that has a principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000; and

(2) four members from the membership of the subregional board in the subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000.

Makes nonsubstantive changes.

SECTION 5. Amends the heading to Subchapter N, Chapter 452, Transportation Code, to read as follows:

**SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO
MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION**

SECTION 6. Amends Section 452.561, Transportation Code, to provide that this subchapter applies only to the board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000.

SECTION 7. Amends Section 452.562, Transportation Code, by amending Subsections (a), (b), and (c) and adding Subsection (c-1), as follows:

(a) Provides that a subregional board is composed of 11, rather than nine, members.

(b) Provides that, if the entire county of the principal municipality is included in the authority, the subregional board consists of:

(1) five, rather than four, members appointed by the governing body of the principal municipality;

(2) five, rather than four, members appointed by the commissioners court of the county of the principal municipality; and

(3) Makes no change to this subdivision.

(c) Requires that the subregional board, if Subsection (b) does not apply, be appointed as follows:

(1) the commissioners court of the county of the principal municipality is required to appoint at least three members, rather than one member, to represent certain areas and municipalities; and

(2) Makes no change to this subdivision.

(c-1) Requires the voting members of the board to appoint one or more members of the legislature who represent an area included in the authority to serve, consistent with the Texas Constitution, in advisory positions to the board. Provides that a member appointed under this subsection:

(1) is prohibited from participating in a vote of the board; and

(2) is not entitled to receive compensation for service with the board.

SECTION 8. Amends the heading to Subchapter O, Chapter 452, Transportation Code, to read as follows:

SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION

SECTION 9. Amends Section 452.571, Transportation Code, to provide that this subchapter applies only to the board of a subregion that has a principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000.

SECTION 10. Amends Sections 452.605(a) and (b), Transportation Code, as follows:

(a) Authorizes a municipality with a population of at least 250,000 according to the most recent federal decennial census and located in a county that has no principal municipality with a population of more than 1.1 million, rather than a population of more than 800,000, according to the most recent federal decennial census to join a separate authority by complying with this chapter.

Makes nonsubstantive changes.

(b) Provides that, if a municipality described by Subsection (a) joins a separate authority and another separate authority is subsequently established in a county that has no principal municipality with a population of more than 1.1 million, rather than in a county that has no principal municipality of more than 800,000 population, according to the most recent federal decennial census, any municipality in that county that has voted to participate with any authority created under this chapter may at the time of the creation of the new authority take certain actions regarding the authorities.

Makes nonsubstantive changes.

SECTION 11. Amends Section 452.657, Transportation Code, by adding Subsections (e) and (f), as follows:

(e) Requires that title to all real estate in the unit of election owned or partially owned by the authority, including improvements made by the authority, except a right-of-way or an

improvement to a right-of-way, in a unit of election with a population of less than 10,000 according to the most recent federal decennial census that withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter N, immediately vest in the authority. Authorizes the authority to continue to use the real estate and improvements in the withdrawn unit of election as may be determined by the authority to be necessary:

(1) for the continuation of service to other units of election;

(2) to satisfy the authority's remaining federal grant obligation for the real estate and improvements; or

(3) for the operation of a public transportation system as provided by Section 452.056(a) (authorizing an authority to perform certain actions related to providing public transportation services within and outside the authority).

(f) Provides that an authority is responsible for all operation and maintenance costs of the property and improvements located in the withdrawn unit of election that are owned or partially owned by the authority as described by Subsection (e).

SECTION 12. Amends Section 452.659, Transportation Code, by adding Subsection (e), as follows:

(e) Provides that, notwithstanding any other provision of this chapter, in determining the total financial obligation of a withdrawn unit of election to an authority consisting of one subregion governed by a subregional board created under Subchapter N, Subsection (a)(2) (providing that the total financial obligation of a withdrawn unit of election to the authority is an amount equal to the amount that is necessary and appropriate to allocate to the unit) does not apply, and the amounts calculated under Subsection (a)(1) (providing that the total financial obligation of a withdrawn unit of election to the authority is an amount equal to the unit's apportioned share of the authority's outstanding obligations) do not include any financial, contractual, or other obligations incurred by the authority between the date that an election to withdraw is ordered and the date of the canvass of the election. Requires the executive committee to determine the total financial obligation of the withdrawn unit of election not later than the 180th day after the date the election is called. Provides that this subsection:

(1) applies to an election to withdraw that is ordered before, on, or after September 1, 2015; and

(2) expires August 31, 2016.

SECTION 13. Amends Section 452.710(b), Transportation Code, to provide that the interim subregional board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000, is composed of 11, rather than nine, members appointed as provided by Section 452.562(b).

SECTION 14. Amends Section 452.712(d), Transportation Code, to require that the tax rate, in a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, rather than a population of more than 800,000, be approved by the commissioners court before the confirmation election.

SECTION 15. Effective date: September 1, 2015.