

GOVERNMENT CODE

CHAPTER 1403. GENERAL OBLIGATION BONDS FOR CERTAIN BORDER COLONIA PROJECTS

Sec. 1403.001. DEFINITIONS. In this chapter:

- (1) "Authority" means the Texas Public Finance Authority.
- (2) "Commission" means the Texas Transportation Commission.

Added by Acts 2001, 77th Leg., ch. 950, Sec. 1, eff. Nov. 6, 2001.

Sec. 1403.002. GENERAL OBLIGATION BONDS AND NOTES FOR BORDER COLONIA ROADWAY PROJECTS. (a) As provided by Section 49-1, Article III, Texas Constitution, the authority shall, in accordance with requests from the office of the governor:

- (1) issue general obligation bonds and notes in an aggregate amount not to exceed \$175 million, as authorized by the office of the governor under Subsection (b); and

- (2) as directed by the Texas Department of Transportation, distribute the proceeds from the sale of the bonds and notes to counties to provide financial assistance for colonia access roadway projects to serve border colonias.

(b) The office of the governor shall determine the amount of bonds or notes to be issued at any one time by the authority under Subsection (a)(1) and the times at which the bonds or notes are issued.

(c) The commission shall establish a program to administer the use of the proceeds of the bonds and notes. The Texas Department of Transportation shall administer the program in cooperation with the office of the governor, the secretary of state, and the Texas A&M University Center for Housing and Urban Development.

(d) The commission, in cooperation with the office of the governor, shall:

- (1) define by rule "border colonia";
- (2) establish by rule criteria for selecting which areas and which colonia access roadway projects are eligible for assistance under this chapter;

- (3) determine the counties and the colonia access roadway projects that are to receive financial assistance and the amount of assistance given to a county or project;

- (4) establish by rule minimum road standards a county's colonia access roadway proposal must meet to be awarded a grant;

- (5) establish by rule grant application procedures;

and

- (6) establish by rule financial reporting requirements for counties that receive assistance for colonia access roadway projects to serve border colonias.

(e) The issuance of general obligation bonds under this chapter shall comply with and is subject to Subtitle A, of this title, Chapter 1231, and applicable provisions of Chapters 1232 and 1371.

(f) In connection with bonds or notes issued under this section, the authority may enter into one or more credit agreements at any time for a period and on conditions the authority approves. For purposes of this subsection, "credit agreement" includes:

- (1) an interest rate swap agreement;
- (2) an interest rate lock agreement;
- (3) a currency swap agreement;
- (4) a forward payment conversion agreement;
- (5) an agreement to provide payments based on levels of or changes in interest rates or currency exchange rates;

- (6) an agreement to exchange cash flows or a series of payments;

- (7) an option, put, or call to hedge payment, currency, rate, spread, or other exposure; or

- (8) another agreement that enhances the marketability, security, or creditworthiness of bonds or notes.

Added by Acts 2001, 77th Leg., ch. 950, Sec. 1, eff. Nov. 6, 2001.

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) In this section:

- (1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

- (2) "Rural border county" means a county that:

- (A) has a population of less than 55,000; and

- (B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county.

Added by Acts 2003, 78th Leg., ch. 320, Sec. 1, eff. June 18, 2003.

Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR EQUIPMENT. A grant under this chapter may be used to purchase any materials or to lease any equipment as reasonably necessary to accomplish the goal of the project. Materials purchased as permitted by this section must be used solely in connection with the project. Equipment leased as permitted by this section must be used substantially in connection with the project throughout the period of the applicable lease.

Added by Acts 2003, 78th Leg., ch. 320, Sec. 1, eff. June 18, 2003.