TRANSPORTATION CODE
CHAPTER 365. ROAD DISTRICT TOLL ROADS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 365.001. DEFINITIONS. In this chapter:

(1) "Bonds" means tax bonds, tax and revenue bonds, revenue bonds, tax anticipation notes, revenue anticipation notes, grant anticipation notes, or a combination of those evidences of indebtedness.

(2) "District" means a district created under Chapter 441 or Subchapter B, Chapter 257.

(3) "Toll road project" means a road, street, highway, or turnpike constructed under this chapter and includes:

(A) a necessary bridge, overpass, underpass, interchange, entrance plaza, approach, toll structure, or service station;

(B) an administration, storage, or other necessary building; and

(C) property rights, easements, and interests acquired in connection with the project.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.002. APPLICABILITY. This chapter applies only to a county with a population of 175,000 or more.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.003. DESIGNATION AS PART OF ROAD SYSTEM. A district may act to have a toll road become part of the state highway system or part of the road system of a county or municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.004. USE OF CERTAIN INTEREST. A district may use interest earned on its construction account for a purpose for which the district's financing documents permit the construction account to be used. For this purpose, the district's governing body may redeposit into the construction account any interest that has been transferred to the credit of an interest and sinking account.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER B. PROVIDING TOLL ROAD

Sec. 365.011. AUTHORITY TO PROVIDE TOLL ROAD. A district may construct, acquire, improve, operate, repair, maintain, and finance a toll road project.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.012. TOLL ROAD DISTRICT POWERS. In exercising its authority under Section 365.011, a district has the powers of a county owning or operating a toll project under Chapter 284 regardless of whether the district is in a county to which that chapter applies.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.013. NATURE AND LOCATION OF ROAD AND STRUCTURE. (a) A toll road must be all or part of a state highway or a major arterial road that connects two state highways, two federal highways, or a combination of state and federal highways.

(b) A district may not construct a toll structure within two miles of the intersection of the toll road and a federal highway unless the toll structure is located in a county with a population of more than 3.3 million or a county adjacent to a county with a population of more than 3.3 million.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1171, Sec. 7.27, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 669, Sec. 135, eff. Sept. 1, 2001.

Sec. 365.014. RIGHT OF FREE ACCESS OR PASSAGE. A district operating a toll road shall give to property that had access to and right of free passage on the road on or before August 28, 1989:

(1) free access to the toll road; or

(2) an alternative right of passage.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.015. USE OF PROPERTY OF GOVERNMENTAL ENTITY. (a) Notwithstanding any other law, a district may use for a toll road project any real property, right-of-way, or other property of a governmental entity regardless of when or how the property is acquired.

(b) The governing body of a governmental entity may, without advertising, convey title to or rights or easements in property needed for a toll road project.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 365.031. AUTHORITY TO ISSUE BONDS. A district may

issue bonds to finance a toll road project:

   (1) to the extent and for the purpose a county may pay the cost of a project under Chapter 284; and

   (2) as provided by Chapter 1371, Government Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.390, eff. Sept. 1, 2001.

   Sec. 365.032. BOND ELECTION. (a) Bonds issued under this chapter that are payable from ad valorem taxes must be approved at an election held as provided by Chapters 284 and 441.

   (b) An election is not necessary for the issuance of bonds under this chapter, including refunding bonds, payable only from district revenues.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.033. SALE OF BONDS. The district may sell bonds under this chapter in the manner, at public or private sale, and for the prices that the district's governing body determines is in the district's best interest.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.034. BOND SECURITY. Bonds issued under this chapter may be secured by a trust indenture between the district and a corporate trustee that is a trust company or a bank that has the powers of a trust company.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.035. BONDHOLDER PROTECTION. The trust indenture or the resolution or order authorizing the issuance of bonds under this chapter may include provisions to protect and enforce the rights and remedies of bondholders, including covenants determining the district's duties in relation to:

   (1) the acquisition and financing of the toll road project; and

   (2) the custody, safeguarding, and application of the district's toll road revenues.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.036. REFUNDING BONDS. (a) A district may issue refunding bonds to refund its bonds under this chapter as provided by Chapter 1371, Government Code, and Chapter 441.

   (b) Refunding bonds may be payable from taxes, revenues, or a combination of taxes and revenues.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.391, eff. Sept. 1, 2001.

   Sec. 365.037. COUNTY AD VALOREM TAX. (a) A county may impose an ad valorem tax under Section 9, Article VIII, or Section 52, Article III, of the Texas Constitution, and contract to pay and pledge taxes in support of its obligation to a district and the district's bondholders.

   (b) The tax proceeds shall be used annually to the extent required and for the payments provided by the county's contract with the district.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.038. COUNTY PAYMENTS RELATING TO DISTRICT BONDS. (a) A county in which a district is located may pay:

   (1) part of the principal or redemption price of or interest on the district's bonds; or

   (2) the cost of operating or maintaining the district's toll road project.

   (b) The county may establish or maintain a reserve fund or a depreciation and replacement fund for the district's bonds or toll road project as a supplement to the district's pledge of revenue for those purposes or instead of a pledge of the district's revenue or taxes.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.039. COUNTY BONDS AND CERTIFICATES OF OBLIGATION. A county may authorize, issue, and sell its bonds or certificates of obligation and use the proceeds to:

   (1) call, redeem, and retire a district's outstanding bonds;

   (2) remove the pledge of the revenue from a district's toll road project or other road, street, or highway project and the district's convenants in connection with the bonds and toll road project; and

   (3) make the toll road project available for use of the public free from tolls and charges.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

   Sec. 365.040. AUTHORITY FOR TOLLS AND CHARGES. A district may impose tolls and other charges for the use of a toll road

project and may use toll revenue to retire outstanding indebtedness issued to pay the costs of a road providing service to the district.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.041. AMOUNT OF TOLLS. Revenue from tolls and other charges under Section 365.040 may be sufficient to:

(1) pay all expenses necessary to maintain and operate the toll road project;

(2) make necessary payments and otherwise comply with any permit or franchise for maintenance or operation of the toll road project;

(3) pay the principal and redemption price of and interest on all bonds that the district is obligated to pay, regardless of whether the bonds were issued as revenue bonds;

(4) pay all sinking fund or reserve fund payments agreed to be made in connection with bonds or other obligations as they become due and payable to establish a reasonable depreciation and emergency fund;

(5) comply with any agreement made with the holders of the district's bonds or other obligations or with another person on the bondholder's behalf; and

(6) recover a reasonable rate of return on invested capital.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.042. FINES AND PENALTIES. A district may impose fines and penalties as provided by Chapter 284 as if the district were a county to which that chapter applies.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.043. COUNTY EXPENSES. The district may reimburse a county, from any funds available to the district, for any expenses the county pays on behalf of the district.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 365.044. COSTS OF CERTAIN ACQUISITIONS AND ALTERATIONS. A transportation corporation, state agency, political subdivision, or road district that acquires, inside or outside the right-of-way of a project, an interest in real property required for or beneficial to a project or to adjust utilities for a project or design, construct, improve, or beautify a project, or that in exercising the power of eminent domain requires the relocating, raising, lowering, rerouting, changing of grade, or altering of construction of a railroad, highway, pipeline, or electric transmission or distribution, telegraph, or telephone line, conduit, pole, or facility shall pay the cost of that action so as to provide comparable replacement, less the salvage value, of any replaced facility.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.