

TRANSPORTATION CODE
SUBTITLE K. MASS TRANSPORTATION
CHAPTER 451. METROPOLITAN RAPID TRANSIT AUTHORITIES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 451.001. DEFINITIONS. In this chapter:

(1) "Alternate municipality" means a municipality that:

- (A) has a population of more than 60,000;
- (B) is located in a metropolitan area the principal municipality of which has a population of more than 1.2 million; and
- (C) is not part of the territory of another authority.

(2) "Authority" means a rapid transit authority created under this chapter or under Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973.

(3) "Board" means the governing body of an authority.

(4) "Mass transit" means the transportation of passengers and hand-carried packages or baggage of a passenger by a surface, overhead, or underground means of transportation, or a combination of those means, including motorbus, trolley coach, rail, and suspended overhead rail transportation. The term does not include taxicab transportation.

(5) "Metropolitan area" includes only an area in this state that has a population density of not less than 250 persons for each square mile and contains not less than 51 percent of the incorporated territory of a municipality having a population of 230,000 or more. The area may contain other municipalities and the suburban area and environs of other municipalities.

(6) "Motor vehicle" includes only a vehicle that is self-propelled:

- (A) by an internal combustion engine or motor;
- (B) on two or more wheels; and
- (C) over a roadway other than fixed rails and tracks.

(7) "Principal municipality" means the municipality having the largest population in a metropolitan area.

(8) "Transit authority system" means property:

- (A) owned, rented, leased, controlled, operated, or held for mass transit purposes by an authority; and
- (B) situated on property of the authority for mass transit purposes, including:

(i) for an authority created before 1980 in which the principal municipality has a population of less than 1.2 million, public parking areas and facilities; and

(ii) for an authority in which the principal municipality has a population of more than 1.5 million, the area in boundaries in which service is provided or supported by a general sales and use tax.

(9) "Transportation disadvantaged" means the elderly, persons with disabilities, and low-income individuals. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1038, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.002. LIBERAL CONSTRUCTION. This chapter is to be construed liberally to carry out its purposes.

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

Sec. 451.003. CHAPTER NOT APPLICABLE TO BICOUNTY AREA. This chapter does not apply to an area composed of the territory of two contiguous counties each of which contains a municipality having a population of 350,000 or more.

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

SUBCHAPTER B. POWERS OF AUTHORITIES

Sec. 451.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY. This subchapter applies only to an authority that has been confirmed.

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

Sec. 451.052. NATURE OF AUTHORITY. (a) An authority:

- (1) is a public political entity and corporate body;
- (2) has perpetual succession; and
- (3) exercises public and essential governmental functions.

(b) The exercise of a power granted by this chapter, including a power relating to a station or terminal complex, is for a public purpose and is a matter of public necessity.

(c) An authority is a governmental unit under Chapter 101,

Civil Practice and Remedies Code, and the operations of the authority are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY. Except as provided by Section 451.106, the board is responsible for the management, operation, and control of an authority and its property. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.054. GENERAL POWERS OF AUTHORITY. (a) An authority has any power necessary or convenient to carry out this chapter or to effect a purpose of this chapter.

(b) An authority created by an alternate municipality has the powers and duties of an authority in which the principal municipality has a population of more than 1.2 million.

(c) An authority may sue and be sued. An authority may not be required to give security for costs in a suit brought or prosecuted by the authority and may not be required to give a supersedeas or cost bond in an appeal of a judgment.

(d) An authority may hold, use, sell, lease, dispose of, and acquire, by any means, property and licenses, patents, rights, and other interests necessary, convenient, or useful to the exercise of any power under this chapter. Before an authority acquires an interest in real property for more than \$20,000, the board shall have the property appraised by two appraisers working independently of each other.

(e) An authority may sell, lease, or dispose of in another manner:

(1) any right, interest, or property of the authority that is not needed for, or, if a lease, is inconsistent with, the efficient operation and maintenance of the transit authority system; or

(2) at any time, surplus materials or other property that is not needed for the requirements of the authority or for carrying out a power under this chapter.

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

Sec. 451.055. CONTRACTS; GRANTS AND LOANS. (a) An authority may contract with any person.

(b) An authority may accept a grant or loan from any person. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.056. OPERATION OF TRANSIT AUTHORITY SYSTEM. (a) An authority may:

(1) acquire, construct, develop, own, operate, and maintain a transit authority system in the territory of the authority, including the territory of a political subdivision;

(2) contract with a municipality, county, or other political subdivision for the authority to provide public transportation services outside the authority; and

(3) lease all or a part of the transit authority system to, or contract for the operation of all or a part of the transit authority system by, an operator.

(b) An authority may not lease the entire transit authority system under Subsection (a)(3) without the written approval of the governing body of the principal municipality of the authority.

(c) An authority created by an alternate municipality and an authority in which the principal municipality has a population of more than 1.2 million may contract for service outside each of their respective territories to provide access between the two authorities.

(d) An authority, as the authority determines advisable, shall determine routes.

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

Sec. 451.057. ACQUISITION OF PROPERTY BY AGREEMENT. An authority may acquire rolling stock or other property under a contract or trust agreement, including a conditional sales contract, lease, and equipment trust certificate.

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

Sec. 451.058. USE AND ACQUISITION OF PROPERTY OF OTHERS. (a) For a purpose described by Section 451.056(a)(1) and as necessary or useful in the construction, repair, maintenance, or operation of the transit authority system, an authority may:

(1) use a public way, including an alley; and

(2) directly, or indirectly by another person, relocate or reroute the property of another person or alter the construction of the property of another person.

(b) For an act authorized by Subsection (a)(2), an authority may contract with the owner of the property to allow the owner to make the relocation, rerouting, or alteration by the owner's own means or through a contractor of the owner. The contract may provide for reimbursement of the owner for costs or payment to the contractor.

(c) An authority may acquire by eminent domain any interest in real property, including a fee simple interest and the use of air or subsurface space. The exercise of the right of eminent domain may not unduly interfere with interstate commerce or authorize the authority to run an authority vehicle on a railroad track that is used to transport property.

(d) If an authority, through the exercise of a power under this chapter, makes necessary the relocation or rerouting of, or alteration of the construction of, a road, alley, overpass, underpass, railroad track, bridge or associated property, an electric, telegraph, telephone, or television cable line, conduit, or associated property, or a water, sewer, gas, or other pipeline or associated property, the relocation or rerouting or alteration of the construction must be accomplished at the sole cost and expense of the authority, and damages that are incurred by an owner of the property must be paid by the authority.

(e) Unless the power of eminent domain is exercised, an authority may not begin an activity authorized under Subsection (a) to alter or damage the property of this state, a political subdivision of this state, or a person providing a public service, inconvenience the owners of property of this state, a political subdivision of this state, or a person providing a public service, or disrupt the provision of a public service without having first received written permission from the owner of the property.

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

Sec. 451.059. EMINENT DOMAIN PROCEEDINGS. (a) An eminent domain proceeding by an authority is initiated by the adoption by the board of a resolution that:

(1) describes the property interest to be acquired by the authority;

(2) declares the public necessity for and interest in the acquisition; and

(3) states that the acquisition is necessary and proper for the construction, extension, improvement, or development of the transit authority system.

(b) At least 30 days before the date of the adoption of a resolution under Subsection (a), the board shall hold a public hearing on the question of the acquisition. The hearing must be held at a place convenient to the residents of the area where the property to be acquired is located.

(c) The board shall publish notice of the hearing in a newspaper of general circulation in the county where the property is located at least once each week for two weeks before the date of the hearing.

(d) A resolution adopted under this section is conclusive evidence of the public necessity for the acquisition described in the resolution and that the property interest is necessary for public use.

(e) Except as otherwise provided by this chapter, Chapter 21, Property Code, applies to an eminent domain proceeding by an authority.

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

Sec. 451.060. AGREEMENT WITH UTILITIES, CARRIERS. An authority may agree with any other public or private utility, communication system, common carrier, or transportation system for:

(1) the joint use of the property of the agreeing entities in the authority; or

(2) the establishment of through routes, joint fares, or transfers of passengers.

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

Sec. 451.061. FARES AND OTHER CHARGES. (a) An authority shall impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the transit authority system sufficient to produce revenue, together with tax revenue received by the authority, in an amount adequate to:

(1) pay all the expenses necessary to operate and maintain the transit authority system;

(2) pay when due the principal of and interest on, and

sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the authority and payable in whole or part from the revenue; and

(3) fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.

(b) It is intended by this chapter that the compensation imposed under Subsection (a) and taxes imposed by the authority not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.

(c) Fares for passenger transportation may be set according to a zone system or other classification that the authority determines to be reasonable.

(d) The fares, tolls, charges, rents, and other compensation established by an authority in which the principal municipality has a population of less than 1.2 million may not take effect until approved by a majority vote of a committee composed of:

(1) five members of the governing body of the principal municipality, selected by that governing body;

(2) three members of the commissioners court of the county having the largest portion of the incorporated territory of the principal municipality, selected by that commissioners court; and

(3) three mayors of municipalities, other than the principal municipality, located in the authority, selected by:

(A) the mayors of all the municipalities, except the principal municipality, located in the authority; or

(B) the mayor of the most populous municipality, other than the principal municipality, in the case of an authority in which the principal municipality has a population of less than 300,000.

(e) This section does not limit the state's power to regulate taxes imposed by an authority or other compensation authorized under this section. The state agrees with holders of bonds issued under this chapter, however, not to alter the power given to an authority under this section to impose taxes, fares, tolls, charges, rents, and other compensation in amounts sufficient to comply with Subsection (a), or to impair the rights and remedies of an authority bondholder, or a person acting on behalf of a bondholder, until the bonds, interest on the bonds, interest on unpaid installments of interest, costs and expenses in connection with an action or proceeding by or on behalf of a bondholder, and other obligations of the authority in connection with the bonds are discharged.

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

Sec. 451.0611. ENFORCEMENT OF FARES AND OTHER CHARGES; PENALTIES. (a) A board by resolution may prohibit the use of the public transportation system by a person who fails to possess evidence showing that the appropriate fare for the use of the system has been paid and may establish reasonable and appropriate methods to ensure that persons using the public transportation system pay the appropriate fare for that use.

(b) A board by resolution may provide that a fare for or charge for the use of the public transportation system that is not paid incurs a penalty, not to exceed \$100.

(c) The authority shall post signs designating each area in which a person is prohibited from using the transportation system without possession of evidence showing that the appropriate fare has been paid.

(d) A person commits an offense if:

(1) the person or another for whom the person is criminally responsible under Section 7.02, Penal Code, uses the public transportation system and does not possess evidence showing that the appropriate fare has been paid; and

(2) the person fails to pay the appropriate fare or other charge for the use of the public transportation system and any penalty on the fare on or before the 30th day after the date the authority notifies the person that the person is required to pay the amount of the fare or charge and the penalty.

(e) The notice required by Subsection (d)(2) may be included in a citation issued to the person under Article 14.06, Code of Criminal Procedure, in connection with an offense relating to the nonpayment of the appropriate fare or charge for the use of the public transportation system.

(f) An offense under Subsection (d) is a Class C

misdemeanor.

Added by Acts 2003, 78th Leg., ch. 1113, Sec. 2, eff. Sept. 1, 2003.

Sec. 451.062. POWER TO ENTER REAL PROPERTY. (a) The engineers, employees, and other representatives of an authority may go on any real property within the boundaries of the authority to:

(1) make surveys and examine the property with reference to the location of works, improvements, plants, facilities, equipment, or appliances of the authority; and

(2) attend to any authority business.

(b) Before a person described by Subsection (a) goes on any property under the authority of that subsection, at least two weeks' notice shall be given to the owners in possession.

(c) Property damaged by any authority activity under this section shall be restored as nearly as possible to the original state at the sole expense of the authority.

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

Sec. 451.063. TAX EXEMPTION. The property, revenue, and income of an authority are exempt from state and local taxes.

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

Sec. 451.064. PARKING AREAS: CERTAIN AUTHORITIES. (a) An authority created before 1980 in which the principal municipality has a population of less than 1.2 million may, with the approval of the governing body of the principal municipality:

(1) establish, operate, and improve a public parking area or facility in the authority; and

(2) set and collect reasonable charges for the use of a parking area or facility.

(b) An authority described by Subsection (a) may regulate public parking in public parking areas or facilities in the principal municipality under an interlocal agreement with the principal municipality according to which that power is delegated to the authority.

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

Sec. 451.065. ROADWAYS, TRAILS, LIGHTING: CERTAIN AUTHORITIES. (a) An authority confirmed before July 1, 1985, may, in the authority:

(1) construct or maintain a highway, local or arterial street, thoroughfare, or other road, including a bridge or grade separation; and

(2) install or operate traffic control improvements, including signals.

(b) An authority confirmed before 1985 may, in the authority:

(1) construct or maintain a sidewalk, hiking trail, or biking trail;

(2) install or maintain streetlights; and

(3) in performing an activity under Subdivision (1) or (2), make drainage improvements and take drainage-related measures as reasonable and necessary for the effective use of the transportation facility being constructed or maintained.

(c) An authority may perform an activity authorized by this section through an agreement with another governmental entity, including an agreement under Chapter 791, Government Code, with a state agency listed under Section 771.002, Government Code.

(d) An authority may not perform an activity authorized by this section in a municipality without:

(1) the consent of the governing body of the municipality; or

(2) a contract with the municipality specifying the actions that the authority may undertake.

(e) Subsection (a) does not apply to the performance of an action undertaken by the authority under Section 451.056(a)(1) or 451.058.

(f) This section does not apply to an authority created before 1980 in which the principal municipality has a population of less than 1.2 million.

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

Sec. 451.066. SPENDING LIMITATION: TRAILS AND LIGHTING IN CERTAIN AUTHORITIES. (a) An authority confirmed before 1980 in which the principal municipality has a population of more than 1.2 million may not spend, during any five-year period, more than seven percent of its revenue from sales and use taxes and interest income during that period for all items described by Section 451.065(b).

(b) For a fiscal year in which an authority described by Subsection (a) spends an amount that exceeds the limit in

Subsection (a), the registered voters of the authority, by petition, may require that an election be held on the question of eliminating or reducing expenditures in any category authorized by Section 451.065(b) and not otherwise authorized by Section 451.065(a). The board shall call an election in the authority to be held on the first uniform election date at least 60 days after the date the election order is issued if the secretary of state:

(1) finds that a petition for the election is valid;
or
(2) fails to act within the time required by Subsection (d).

(c) A petition under this section is valid if:

(1) it is signed by registered voters of the authority in a number equal to at least 10 percent of the number of votes cast in the authority in the preceding gubernatorial election;

(2) the signatures meeting the requirement in Subdivision (1) are collected not earlier than the 90th day before the date the petition is presented to the board; and

(3) it is presented to the board on or before the second anniversary of the last day of the fiscal year during which the expenditures exceeded the limitation.

(d) After receiving a petition under this section, the board shall send it to the secretary of state. The secretary of state shall, not later than the 30th day after the date the petition is received, determine whether the petition is valid and notify the board of the determination.

(e) The ballots for the election must provide for voting for or against the following proposition: "The (reduction or elimination) of expenditures for _____ (category of spending to be reduced or eliminated)."

(f) A reduction or elimination of expenditures that is approved by a majority of the votes received on the measure in the election is effective.

(g) The authority shall pay the costs of:

(1) determining the validity of a petition; and

(2) conducting the election.

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

Sec. 451.067. EMERGENCY MEDICAL SERVICES: CERTAIN AUTHORITIES. An authority in which the principal municipality has a population of less than 300,000 may provide emergency medical services.

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

Sec. 451.068. FREE FARES PROGRAM: CERTAIN AUTHORITIES. (a) An authority confirmed before July 1, 1985, and in which the principal municipality has a population of less than 750,000 may, through the operation of a program, charge no fares.

(b) A program under this section:

(1) must have clearly defined goals adopted by the authority;

(2) expires annually, unless renewed; and

(3) may be renewed only after the program's costs and benefits are evaluated.

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

Sec. 451.070. ELECTIONS. (a) In an election ordered by a board:

(1) the board shall give notice of the election by publication in a newspaper of general circulation in the authority at least once each week for three consecutive weeks, with the first publication occurring at least 21 days before the date of the election; and

(2) a resolution ordering the election and the election notice must show, in addition to the requirements of the Election Code, the hours of the election and polling places in election precincts.

(b) Subsection (a) does not apply to an election under Subchapter N.

(c) An election contest may not be heard unless the comptroller is timely notified as required by Section 451.413.

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

Sec. 451.071. REFERENDUM FOR RAIL PLAN; CERTAIN AUTHORITIES. (a) This section applies only to an authority confirmed before July 1, 1985, in which the principal municipality has a population of less than 750,000.

(b) The authority may hold a referendum on whether the authority may operate a fixed rail transit system. At the election

the ballots shall be printed to permit voting for or against the following proposition: "The operation of a fixed rail system by (name of authority)."

(c) The notice of an election called under this section must include a general description of the form of the fixed rail transit system, including the general location of any proposed routes.

(d) If a majority of the votes cast are in favor of the proposition, the authority may build and operate the system as provided in the notice for the election. If less than a majority of the votes cast are in favor of the proposition, the authority may not expend funds of the authority to purchase, acquire, construct, operate, or maintain any form of a fixed rail transit system unless the system is approved by a majority of the votes cast at a referendum held by the authority for that purpose.

(e) A subsequent referendum under Subsection (d):

(1) may be held more than once;

(2) is held in the same manner as the initial referendum; and

(3) must be held at the general election in November of an even-numbered year.

(f) A referendum on a proposal to expand a system approved under this section may be held on any date specified in Section 41.001, Election Code, or a date chosen by order of the board of the authority, provided that:

(1) the referendum is held no earlier than the 62nd day after the date of the order; and

(2) the proposed expansion involves the addition of not more than 12 miles of track to the system.

Added by Acts 1997, 75th Leg., ch. 472, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2001, 77th Leg., ch. 542, Sec. 1, eff. June 11, 2001; Acts 2005, 79th Leg., ch. 281, Sec. 2.84, eff. June 14, 2005.

Sec. 451.072. GENERAL AUTHORITY TO CALL ELECTION: CERTAIN AUTHORITIES. (a) This section applies only to an authority in which the principal municipality has a population of more than 1.2 million.

(b) The board of an authority may call an election to determine the voters' will on any issue that the board is authorized to decide under this chapter or on the exercise of any discretionary power of the board under this chapter. At the time the board orders the election, the board shall specify whether the results of the election are binding on the authority.

(c) The board shall specify the ballot proposition for an election called under this section. A ballot proposition is approved if a majority of the voters voting at the election favor the proposition.

Added by Acts 2001, 77th Leg., ch. 612, Sec. 1, eff. Sept. 1, 2001.

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

Sec. 451.101. BOARD POWERS. A board may:

(1) employ a general manager and other persons necessary for the conduct of the affairs of the authority, including operating or management companies;

(2) prescribe the duties, compensation, and tenure of persons employed;

(3) remove an employee;

(4) adopt a seal for the authority;

(5) set the fiscal year for the authority;

(6) establish a complete system of accounts for the authority;

(7) invest the funds of the authority in direct or indirect obligations of the United States, this state, or a political subdivision of this state;

(8) purchase, with funds of the authority, certificates of deposit of state or national banks or savings and loan associations in this state if the certificates are secured in the same manner that the funds of a county of this state are required to be secured;

(9) designate by resolution an authorized representative of the authority to, according to terms prescribed by the board:

(A) invest authority funds; and

(B) withdraw money from authority accounts for investments; and

(10) designate by resolution an authorized representative of the authority to supervise the substitution of securities pledged to secure authority funds.

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

Sec. 451.102. BUDGET. (a) A board shall adopt an annual operating budget of all major expenditures by type and amount. The board shall adopt the budget before the beginning of the fiscal year to which the budget applies and before the authority may conduct any business in the fiscal year.

(b) The board shall hold a public hearing on a proposed annual operating budget before adopting the budget and shall, at least 14 days before the date of the hearing, make the proposed budget available to the public.

(c) The board after public notice and a hearing may by order amend an annual operating budget.

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

Sec. 451.103. OPERATING EXPENDITURES. An authority may not spend for operations money in excess of the total amount specified for operating expenses in the annual operating budget.

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

Sec. 451.104. INVESTMENT POWERS: CERTAIN AUTHORITIES. An authority created before 1980 and in which the principal municipality has a population of less than 1.2 million has the same investment powers as an entity under Subchapter A, Chapter 2256, Government Code.

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

Sec. 451.105. DEPOSITORY; DEPOSIT OF FUNDS. (a) A board shall designate one or more banks as depositories for authority funds.

(b) All funds of an authority shall be deposited in one or more of the authority's depository banks unless an order or resolution authorizing the issuance of an authority bond or note requires otherwise.

(c) Funds in a depository, to the extent that those funds are not insured by the Federal Deposit Insurance Corporation, shall be secured in the manner provided by law for the security of county funds.

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

Sec. 451.106. GENERAL MANAGER; MANAGEMENT POLICIES: CERTAIN AUTHORITIES. (a) The board of an authority in which the principal municipality has a population of less than 750,000 or more than 1.2 million shall employ a general manager to administer the daily operation of the authority. The general manager may, subject to the annual operating budget and to the personnel policies adopted by the board, employ persons to conduct the affairs of the authority and prescribe their duties and compensation.

(b) Only the general manager may remove an employee. A removal is subject to board personnel policies.

(c) With the approval of the board, the general manager may contract with others for the performance of work or provision of materials for the authority.

(d) The board shall adopt policies clearly defining the respective duties of the board and the authority's staff.

(e) This section applies only to an authority described by Subsection (a).

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

Sec. 451.107. RULES. (a) The board by resolution may adopt rules for:

(1) the safe and efficient operation and maintenance of the transit authority system;

(2) the use of the transit authority system and the authority's services by the public and the payment of fares, tolls, and other charges; and

(3) the regulation of privileges on property owned, leased, or otherwise controlled by the authority.

(b) A notice of each rule adopted by the board shall be published in a newspaper with general circulation in the area in which the authority is located once each week for two consecutive weeks after adoption of the rule. The notice must contain a condensed statement of the substance of the rule and must advise that a copy of the complete text of the rule is filed in the principal office of the authority, where the text may be read by any person.

(c) A rule becomes effective 10 days after the date of the second publication of the notice under this section.

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

Sec. 451.1075. PROHIBITION OF CONSUMPTION OF ALCOHOLIC

BEVERAGE. (a) A board by resolution may prohibit the consumption of an alcoholic beverage on property an authority possesses or controls. The resolution must describe with particularity each place where consumption of an alcoholic beverage is prohibited.

(b) The authority shall post a sign in each place where consumption of an alcoholic beverage is prohibited under this section. The sign must indicate that a person may not consume an alcoholic beverage in that place.

(c) A person commits an offense if the person consumes an alcoholic beverage in a place where the consumption of an alcoholic beverage is prohibited under this section.

(d) An offense under this section is a Class C misdemeanor.

(e) In this section, "alcoholic beverage" has the meaning assigned by Section 1.04, Alcoholic Beverage Code. Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.25(a), eff. Sept. 1, 1997.

Sec. 451.108. PEACE OFFICERS. (a) An authority may commission and employ peace officers.

(b) An authority created before 1980 in which the principal municipality has a population of less than 1.2 million may establish a security force, employ security personnel, and commission security personnel as peace officers.

(c) A peace officer commissioned under this section, except as provided by Subsections (d) and (e), may:

(1) make an arrest in any county in which the transit authority system is located as necessary to prevent or abate the commission of an offense against the law of this state or a political subdivision of this state if the offense or threatened offense occurs on or involves the transit authority system;

(2) make an arrest for an offense involving injury or detriment to the transit authority system;

(3) enforce traffic laws and investigate traffic accidents that involve or occur in the transit authority system; and

(4) provide emergency and public safety services to the transit authority system or users of the transit authority system.

(d) A peace officer who holds a commission under this section from an authority in which the principal municipality has a population of more than 1.5 million and who has filed with the authority the oath of a peace officer has all the powers, privileges, and immunities of peace officers in the counties in which the transit authority system is located, provides services, or is supported by a general sales and use tax.

(e) A peace officer who holds a commission under this section from an authority created before 1980 in which the principal municipality has a population of less than 1.2 million and who has filed with the authority the oath of a peace officer has all the powers, privileges, and immunities of peace officers in the counties in which the transit authority system is located, provides services, or is supported by a general sales and use tax while the peace officer is on the transit authority system property or performing duties in connection with the transit authority system or its users.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 142, Sec. 1, eff. Sept. 1, 2003.

Sec. 451.109. ADVISORY COMMITTEE. (a) A board may establish one or more advisory committees to make recommendations to the board or the general manager on the operation of the authority. A committee has the purposes, powers, and duties, including the manner of reporting its work, prescribed by the board. A committee and each committee member serves at the will of the board.

(b) The board shall appoint persons to the advisory committee who:

(1) are selected from a list provided by the general manager; and

(2) have knowledge about and interests in, and represent a broad range of viewpoints about, the work of the committee.

(c) A member of an advisory committee may not be compensated by the authority for committee service but is entitled to reimbursement for actual and necessary expenses incurred in the performance of committee service.

(d) This section does not apply to an authority in which the principal municipality has a population of 750,000 or more but not

more than 1.2 million.

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

Sec. 451.110. PURCHASES: COMPETITIVE BIDDING. (a) Except as provided by Subsection (c) and by Subchapter Q, a board may not contract for the construction of an improvement or the purchase of any property, except through competitive bidding after notice of the contract proposal. The notice must be published in a newspaper of general circulation in the area in which the authority is located at least once each week for two consecutive weeks before the date set for receiving the bids. The first notice must be published at least 15 days before the date set for receiving bids.

(b) The board may adopt rules on:

- (1) the taking of bids;
- (2) the awarding of contracts; and
- (3) the waiver of the competitive bidding requirement:
 - (A) if there is an emergency;
 - (B) if there is only one source for the purchase;

or

(C) except for a contract for construction of an improvement on real property, if:

(i) competitive bidding is inappropriate because the procurement requires design by the supplier and if competitive negotiation, with proposals solicited from an adequate number of qualified sources, will permit reasonable competition consistent with the procurement; or

(ii) it is ascertained after solicitation that there will be only one bidder.

(c) Subsection (a) does not apply to a contract for:

- (1) \$25,000 or less;
- (2) the purchase of real property;
- (3) personal or professional services; or
- (4) the acquisition of an existing transit system.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1479, Sec. 1, eff. June 19, 1999; Acts 2005, 79th Leg., ch. 1277, Sec. 2, eff. Sept. 1, 2005.

Sec. 451.111. PURCHASES: NOTICE OF NONCOMPETITIVE BID PROPOSALS. (a) Except as provided by Subchapter Q, unless the posting requirement in Subsection (b) is satisfied, a board may not let a contract that is:

- (1) for more than \$25,000; and
- (2) for:
 - (A) the purchase of real property; or
 - (B) consulting or professional services.

(b) An announcement that a contract to which this section applies is being considered must be posted in a prominent place in the principal office of the authority for at least two weeks before the date the contract is awarded.

(c) This section does not apply to a contract that must be awarded through competitive bidding or for the purchase of an existing transit system.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1479, Sec. 2, eff. June 19, 1999; Acts 2005, 79th Leg., ch. 1277, Sec. 3, eff. Sept. 1, 2005.

Sec. 451.112. CONFLICTS OF INTEREST: BOARD MEMBERS. Chapter 171, Local Government Code, applies to a board member of an authority, except that an authority created before 1980 in which the principal municipality has a population of less than 1.2 million may not enter into a contract or agreement with a business entity in which a board member or the general manager owns five percent or more of the voting stock or shares of the entity or receives funds from the entity exceeding five percent of the member's or general manager's gross income. A contract executed by an authority in violation of this section is voidable.

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

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Sec. 451.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN. (a) An authority may not acquire an interest in real property for a station or terminal complex unless the station or terminal complex is included in the transit authority system in a comprehensive transit plan approved by a resolution of the board. A mass transit facility of an authority is not a station or terminal complex under this subchapter unless the facility is included in the authority's comprehensive transit plan under this section.

(b) A station or terminal complex may not be included in a transit authority system unless the board first finds that the

station or complex:

(1) will encourage and provide for efficient and economical mass transit;

(2) will facilitate access to mass transit and provide for other mass transit purposes;

(3) will reduce vehicular congestion and air pollution in the metropolitan area; and

(4) is reasonably essential to the successful operation of the transit authority system.

(c) On making a finding under Subsection (b), the board may amend the authority's comprehensive transit plan to include a station or terminal complex.

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

Sec. 451.152. STATION OR TERMINAL COMPLEX: FACILITIES. A station or terminal complex of an authority:

(1) must include adequate provision for the transfer of passengers among the various means of transportation available to the complex; and

(2) may include provision for residential, institutional, recreational, commercial, and industrial facilities.

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

Sec. 451.153. APPROVAL OF MUNICIPALITY. The location of a station or terminal complex in a municipality or in the extraterritorial jurisdiction of a municipality must be approved, as to conformity with the comprehensive or general plan of the municipality, by a motion, resolution, or ordinance adopted by the governing body of the municipality.

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

Sec. 451.154. STATION OR TERMINAL COMPLEX: LIMITATION ON REAL PROPERTY ACQUISITION. (a) An interest in real property may not be acquired for station or terminal complex facilities described by Section 451.152(2) unless the property:

(1) is 1,500 feet or less from the center point of the station or terminal complex; or

(2) if farther than 1,500 feet from the center point of the station or terminal complex, is included in a master development plan adopted by the board and not acquired by eminent domain.

(b) Notwithstanding Subsection (a), an authority created before 1980 in which the principal municipality has a population of less than 1.2 million may acquire, including through the use of eminent domain, an interest in real property for facilities if the property:

(1) is 2,500 feet or less from the center point of the station or terminal complex; or

(2) is included in a master development plan adopted by the board.

(c) Before the commencement of an eminent domain proceeding to which this section applies, the board shall designate the center point of the station or terminal complex.

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

Sec. 451.155. TRANSFER OF REAL PROPERTY IN STATION OR TERMINAL COMPLEX. (a) An authority may transfer to any person by any means, including a sale or lease, an interest in real property in a station or terminal complex and may contract with respect to it, in accordance with the comprehensive transit plan approved by the board and subject to terms:

(1) the board finds to be in the public interest or necessary to carry out this section; and

(2) the instrument transferring the title or right of use specifies.

(b) A transfer must be at the fair value of the interest transferred considering the use designated for the real property in the authority's comprehensive transit plan.

(c) A person from whom property offered for sale under this section was acquired by eminent domain or the threat of eminent domain has a first right to purchase the property at the price for which the property is offered to the public.

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

SUBCHAPTER E. REGIONAL ECONOMIC DEVELOPMENT FACILITIES IN STATIONS OR TERMINAL COMPLEXES

Sec. 451.201. DEFINITION. In this subchapter, "regional economic development facilities" includes only those facilities that will lead to the creation of new jobs, maintain existing jobs,

or generally improve the conditions under which a local economy may prosper. The term includes facilities primarily used for conventions, entertainment, special events, or professional or amateur sports.

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

Sec. 451.202. APPLICATION OF SUBCHAPTER LIMITED TO CERTAIN AUTHORITIES. This subchapter applies only to an authority created before 1980 in which the principal municipality has a population of less than 1.2 million.

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

Sec. 451.203. STATION OR TERMINAL COMPLEX: REGIONAL ECONOMIC DEVELOPMENT FACILITIES IN CERTAIN AUTHORITIES. In addition to other facilities authorized by Subchapter D, a station or terminal complex may include regional economic development facilities that are approved by:

- (1) the board;
- (2) the governing body of the principal municipality in the authority; and
- (3) the governing body of the municipality, other than the principal municipality, in which the station or terminal complex containing the facilities is located or in whose extraterritorial jurisdiction the station or terminal complex is located.

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

Sec. 451.204. CONTRACTS FOR REGIONAL ECONOMIC DEVELOPMENT FACILITIES. (a) An authority may:

- (1) plan, acquire, establish, develop, construct, improve, maintain, operate, regulate, protect, and police the regional economic development facility portion of a station or terminal complex; or
- (2) agree with any person for the execution, in whole or part, of the activities described by Subdivision (1).

(b) An agreement made under Subsection (a)(2) is not effective unless the governing body of the principal municipality in the authority approves the agreement.

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

Sec. 451.205. STATION OR TERMINAL COMPLEX: REGIONAL ECONOMIC DEVELOPMENT FACILITIES ADDITIONAL TAX. (a) An authority may increase its sales and use tax rate, not to exceed the rate authorized by Sections 451.404 and 451.405, to provide for the planning, acquisition, establishment, development, and construction of a station or terminal complex that includes regional economic development facilities if a majority of the votes received in an election called for that purpose approve the increase.

(b) An election under Subsection (a) may be called only if both the governing body of the principal municipality and the board by resolution order the election after:

- (1) a petition requesting an election is submitted to the board;
- (2) the board and the governing body hold separate public hearings on the ballot proposition; and
- (3) notice is given of the intent to vote on the tax rate increase.

(c) The notice provided under Subsection (b)(3) must include:

- (1) a statement or description of the purpose of the tax rate increase; and
- (2) a statement that after five years the revenue from the tax rate increase may be used only for mass transit purposes other than the regional economic development facilities portion of the station or terminal complex, and then only if approved by the voters at an election held at that time.

(d) To be valid, a petition under Subsection (b) must:

- (1) contain signatures of at least 10 percent of the registered voters of the authority collected not earlier than the 180th day before the date the petition is submitted to the board;
- (2) state that the petition is intended to initiate an election to increase the rate of the sales and use tax of the authority for the purpose of establishing and operating a regional economic development facility; and
- (3) include the ballot proposition for the election.

(e) The ballot proposition must contain a specific description of the regional economic development facilities projects to be financed by the revenue from the tax rate increase.

(f) A petition is considered to be valid if the board fails to act on the petition before the 31st day after the date the petition is submitted to the board.

(g) An election under this section may not be held earlier than the first anniversary after the date of a previous election to approve a tax rate increase under this section.

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

Sec. 451.206. USE OF REVENUE FOR REGIONAL ECONOMIC DEVELOPMENT FACILITIES. (a) Revenue received from the collection of the authority's sales and use tax at the rate equal to the amount of the rate increase adopted under this subchapter may be used only to finance a project described in the ballot proposition.

(b) The dedication of revenue under Subsection (a) expires on the fifth anniversary of the date the sales and use tax rate increase takes effect in the authority.

(c) Money not used for the regional economic development facilities portion of a station or terminal complex may be used for other purposes.

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

Sec. 451.207. CONTINUATION OF TAX RATE INCREASE. On the expiration of the dedication of an authority's sales and use tax rate increase revenue as provided by Section 451.206, the board shall decrease the authority's sales and use tax rate to its previous rate unless:

(1) the board determines that the revenue from the increased rate is necessary for purposes other than the regional economic development facilities portion of the station or terminal complex;

(2) the board submits the question of the continuation of the increased rate to the voters of the authority at an election held as provided by this chapter; and

(3) at the election, a majority of the votes received on the measure favor the continuation of the increased tax rate.

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

SUBCHAPTER F. SPECIAL PROGRAMS AND SERVICES

Sec. 451.251. CONTRACT GOALS FOR DISADVANTAGED BUSINESSES. An authority that does not have an up-to-date disadvantaged business enterprise program, as defined by 49 C.F.R. Part 23, to assist minorities and women in participating in authority contracts should establish goals for that participation. The recommended contract goals are:

(1) 17 percent for construction, 11 percent for purchasing, and 24 percent for professional services; or

(2) the weighted average equivalent of the categories in Subdivision (1).

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

Sec. 451.252. MINORITY AND DISADVANTAGED INDIVIDUALS PROGRAM: CERTAIN AUTHORITIES. (a) The board of an authority confirmed before July 1, 1985, shall establish a program to encourage participation in contracts of the authority by businesses owned by minorities or disadvantaged individuals.

(b) This section does not apply to an authority created before 1980 in which the principal municipality has a population of less than 1.2 million.

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

Sec. 451.253. MINORITY AND WOMEN-OWNED BUSINESS PROGRAM: CERTAIN AUTHORITIES. (a) An authority with a regional economic development facility approved under Subchapter E may establish a program reasonably designed to increase the participation of minority and women-owned businesses in public contracts awarded by the authority, and if the program is established, the board shall provide a plan to assist minority and women-owned businesses in the area served by the authority to achieve the purposes of the program. If the board establishes an overall minority and women-owned business contract percentage goal as a part of the program, the goal may not exceed the capability of the minority and women-owned businesses in the area served by the authority to perform the number and type of contracts awarded by the authority, as determined by a qualified, independent source.

(b) The board shall periodically review the effectiveness of the program and the reasonableness of the program goals.

(c) This section does not affect Sections 451.110 and 451.111, but prospective bidders may be required to meet uniform standards designed to assure a reasonable degree of participation by minority and women-owned businesses in the performance of any

contract.

(d) In this section:

(1) "Minority" includes blacks, Hispanics, Asian Americans, American Indians, and Alaska natives.

(2) "Minority business" means a business concern more than 50 percent of which is owned and controlled in management and daily operations by members of one or more minorities.

(3) "Women-owned business" means a business concern more than 50 percent of which is owned and controlled in management and daily operations by one or more women.

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

Sec. 451.254. PROGRAM FOR PERSONS WITH PHYSICAL DISABILITIES: CERTAIN AUTHORITIES. (a) The board of an authority confirmed before July 1, 1985, shall promote the availability and use of transportation services of the authority by persons who have physical disabilities by establishing a program that:

(1) is designed to meet the specific transportation problems of those persons; and

(2) establishes the means by which transportation services are to be provided to those persons.

(b) Before establishing a program under this section, the board shall hold public hearings relating to the establishment and operation of the program.

(c) This section does not apply to an authority created before 1980 in which the principal municipality has a population of less than 1.2 million.

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

Sec. 451.255. TRANSPORTATION FOR JOBS PROGRAM PARTICIPANTS. (a) An authority shall contract with the Texas Department of Human Services to provide, in accordance with federal law, transportation services to a person who:

(1) resides in the area served by the authority;

(2) is receiving financial assistance under Chapter 31, Human Resources Code; and

(3) is registered in the jobs opportunities and basic skills training program under Part F, Subchapter IV, Social Security Act (42 U.S.C. Section 682).

(b) The contract must include provisions to ensure that:

(1) the authority is required to provide transportation services only to a location:

(A) to which the person travels in connection with participation in the jobs opportunities and basic skills training program; and

(B) that the authority serves under the authority's authorized rate structure and existing services;

(2) the authority provides directly to the Texas Department of Human Services trip vouchers for distribution by the department to a person who is eligible under this section to receive transportation services;

(3) the Texas Department of Human Services reimburses the authority for allowable costs, at the applicable federal matching rate; and

(4) the Texas Department of Human Services may return undistributed trip vouchers to the authority.

(c) An authority shall certify the amount of public funds spent by the authority under this section for the purpose of obtaining federal funds under the jobs opportunities and basic skills training program.

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

Sec. 451.256. WAIVER OF FEDERAL REQUIREMENTS. If, before implementing Section 451.255, the Texas Department of Human Services determines that a waiver or authorization from a federal agency is necessary for implementation, the Texas Department of Human Services shall request the waiver or authorization, and the department and an authority may delay implementing Section 451.255 until the waiver or authorization is granted.

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

SUBCHAPTER H. BONDS

Sec. 451.351. DEFINITION. In this subchapter, "bond" includes a note.

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

Sec. 451.352. POWER TO ISSUE BONDS. (a) An authority may issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its transit authority

system.

(b) The board, by resolution, may authorize the issuance of bonds payable solely from revenue.

(c) Bonds, any portion of which is payable from taxes, may not be issued until authorized by a majority of the votes received in an election ordered and held for that purpose.

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

Sec. 451.353. BOND TERMS. (a) An authority's bonds are fully negotiable. An authority may make the bonds redeemable before maturity at the price and subject to the terms and conditions that are provided in the authority's resolution authorizing the bonds.

(b) A revenue bond indenture may limit a power of the authority provided by Sections 451.054-451.060, 451.061(a) or (b), 451.064-451.069, 451.107(a), or 451.251 as long as the bonds issued under the indenture are outstanding.

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

Sec. 451.354. SALE. An authority's bonds may be sold at a public or private sale as determined by the board to be the more advantageous.

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

Sec. 451.355. APPROVAL; REGISTRATION. (a) An authority's bonds and the records relating to their issuance shall be submitted to the attorney general for examination before the bonds may be delivered.

(b) If the attorney general finds that the bonds have been issued in conformity with the constitution and this chapter and that the bonds will be a binding obligation of the issuing authority, the attorney general shall approve the bonds.

(c) After the bonds are approved by the attorney general, the comptroller shall register the bonds.

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

Sec. 451.356. INCONTESTABILITY. Bonds are incontestable after they are:

- (1) approved by the attorney general;
- (2) registered by the comptroller; and
- (3) sold and delivered to the purchaser.

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

Sec. 451.357. SECURITY PLEDGED. (a) To secure the payment of an authority's bonds, the authority may:

- (1) pledge all or part of revenue realized from any tax that the authority may impose;
- (2) pledge all or part of the revenue of the transit authority system; and
- (3) mortgage all or part of the transit authority system, including any part of the system subsequently acquired.

(b) Under Subsection (a)(3) an authority may, subject to the terms of the bond indenture or the resolution authorizing the issuance of the bonds, encumber a separate item of the transit authority system and acquire, use, hold, or contract for the property by lease, chattel mortgage, or other conditional sale including an equipment trust transaction.

(c) An authority may not issue bonds secured by ad valorem tax revenue.

(d) An authority is not prohibited by this subchapter from encumbering one or more transit authority systems to purchase, construct, extend, or repair one or more other transit authority systems.

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

Sec. 451.358. PLEDGE OF REVENUE LIMITED. The expenses of operation and maintenance of a transit authority system, including salaries, labor, materials, and repairs necessary to provide efficient service and every other proper item of expense, are a first lien and charge against any revenue of a transit authority system that is encumbered under this chapter.

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

Sec. 451.359. REFUNDING BONDS. An authority may issue refunding bonds for the purposes and in the manner authorized by general law, including Chapter 1207, Government Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.395, eff. Sept. 1, 2001.

Sec. 451.360. BONDS AS AUTHORIZED INVESTMENTS. (a) An authority's bonds are authorized investments for:

- (1) a bank;
- (2) a savings bank;

- (3) a trust company;
- (4) a savings and loan association; and
- (5) an insurance company.

(b) The bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face value or market value, are eligible to secure the deposit of public funds of this state, a political subdivision of this state, and any other political corporation of this state.

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

Sec. 451.361. EXCHANGE OF BONDS FOR EXISTING SYSTEM. An authority's revenue bonds may be exchanged, in lieu of cash, for the property of all or part of an existing transit authority system to be acquired by the authority. If the property is owned by a corporation that will dissolve simultaneously with the exchange, the authority may acquire the stock of the corporation.

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

Sec. 451.362. SHORT-TERM BONDS. (a) Notwithstanding other provisions of this chapter and except as provided by Subsection (c), the board, by order or resolution, may issue bonds that are secured by revenue or taxes of the authority if the bonds:

(1) have a term of not more than 12 months; and

(2) are payable only from revenue or taxes received on or after the date of their issuance and before the end of the fiscal year following the fiscal year in which the bonds are issued.

(b) A bond issued under this section need not be approved by the attorney general or registered with the comptroller.

(c) In an authority in which the principal municipality has a population of 1.5 million or more, bonds may have a term of not more than five years. The bonds are payable only from revenue on taxes received on or after the date of their issuance.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1325, Sec. 19.09, eff. Sept. 1, 2003.

Sec. 451.3625. BONDS FOR RAIL SYSTEM; CERTAIN AUTHORITIES. (a) This section applies only to an authority confirmed before July 1, 1985, in which the principal municipality has a population of less than 750,000.

(b) An authority may not issue short-term debt under Section 451.362 or bonds secured by the revenue of the authority to finance any portion of the purchase, acquisition, construction, operation, or maintenance of a fixed rail transit system unless the system is approved at a referendum under Section 451.071.

(c) If a referendum is approved under Section 451.071, the term for which short-term debt may be issued under Section 451.362 is increased to five years if the purpose of the debt is the purchase, acquisition, construction, operation, or maintenance of the fixed rail transit system approved at the referendum.

Added by Acts 1997, 75th Leg., ch. 472, Sec. 2, eff. Sept. 1, 1997.

Sec. 451.363. TAX EXEMPTION. The interest on an authority's bonds is exempt from state and local taxes.

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

SUBCHAPTER I. TAXATION

Sec. 451.401. GENERAL POWER OF TAXATION. An authority may impose any kind of tax except an ad valorem property tax.

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

Sec. 451.402. VOTER APPROVAL REQUIRED FOR TAX. (a) An authority may not impose a tax or increase the rate of an existing tax unless a proposition proposing the imposition or rate increase is approved by a majority of the votes received at an election held for that purpose.

(b) Each new tax or rate increase must be expressed in a separate proposition consisting of a brief statement of the nature of the proposed tax. The board may submit propositions in the alternative with provision for the method of determining the result of the election.

(c) The notice of the election must contain a statement of the base or rate of the proposed tax.

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

Sec. 451.403. AUTHORITY TAX CODE AND RULES. (a) The board shall, before an election to authorize a tax, adopt a complete tax code and rules providing for the nature of the tax, the tax rate, and the administration and enforcement of the tax. The code and rules must include provisions for:

- (1) the time and manner of payment;
- (2) exemptions;
- (3) liens;

(4) interest;
(5) penalties;
(6) discounts for prepayment;
(7) refunds for erroneous payment;
(8) fees for collection;
(9) collection procedures;
(10) manner of enforcement;
(11) required returns;
(12) registration and reports of taxpayers;
(13) the duties and responsibilities of tax officers and taxpayers; and
(14) the delegation to tax officers of the power to make determinations and additional rules and obtain records as appropriate.

(b) The tax code and rules may contain other provisions, including the incorporation of other tax laws and remedies for tax administration and enforcement that are available to the state or another political subdivision under general law.

(c) The board, after an election approving the tax, may amend the tax code and rules. The board may not increase the amount of the tax by amendment unless the increase is approved under Section 451.402.

(d) This section does not apply to an authority's sales and use tax or motor vehicle emissions tax.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.404. SALES AND USE TAX. (a) The board, subject to Section 451.402, may impose for an authority a sales and use tax at the rate of:

- (1) one-quarter of one percent;
- (2) one-half of one percent;
- (3) three-quarters of one percent; or
- (4) one percent.

(b) Chapter 322, Tax Code, applies to an authority's sales and use tax.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.405. MAXIMUM TAX RATE IN AUTHORITY AREA. (a) An authority may not adopt a sales and use tax rate, including a rate increase, that when combined with the rates of all sales and use taxes imposed by other political subdivisions of the state having territory in the authority exceeds two percent in any location in the authority.

(b) An election by an authority to adopt a sales and use tax or to increase the rate of the authority's sales and use tax has no effect if:

(1) the voters of the authority approve the authority's sales and use tax rate or rate increase at an election held on the same day on which a municipality or county having territory within the authority adopts a sales and use tax or an additional sales and use tax; and

(2) the combined rates of all sales and use taxes imposed by the authority and other political subdivisions of the state would exceed two percent in any location in the authority.

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

Sec. 451.406. INITIAL SALES TAX: EFFECTIVE DATE. The adoption of an authority's sales and use tax takes effect on the first day of the second calendar quarter beginning after the date the comptroller receives a copy of the order required to be filed under Section 451.661.

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

Sec. 451.407. RATE DECREASE: SALES AND USE TAX. The board may:

(1) decrease by order the authority's sales and use tax rate; or

(2) order an election to decrease the rate.

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

Sec. 451.408. RATE INCREASE: SALES AND USE TAX. (a) The board may order an election to increase the authority's sales and use tax rate.

(b) The registered voters of an authority, by petition, may require an election to increase the authority's sales and use tax rate.

(c) If the board has reduced the rate of the authority's sales and use tax without election, the board, by order, may increase the rate to a rate not in excess of the rate before the ordered decrease.

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

Sec. 451.409. SALES AND USE TAX RATE INCREASE: PETITION AND ELECTION. (a) A petition to increase the rate of an authority's sales and use tax is valid only if it is submitted to the board and signed by at least 10 percent of the authority's registered voters as determined by the most recent official list of registered voters.

(b) The board shall submit a petition for an election to increase the authority's sales and use tax rate to the secretary of state.

(c) The secretary of state shall determine the validity of a petition not later than the 30th day after the date the petition is received by the secretary and shall notify the board of the result of the determination.

(d) The board shall call an election to increase the tax rate if the secretary determines that a petition is valid or if the secretary fails to act within the period required by Subsection (c).

(e) The authority shall pay the costs of determining the validity of a petition and the costs of the election.

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

Sec. 451.410. SALES AND USE TAX INCREASE OR DECREASE: BALLOTS. In an election for the increase or decrease of an authority's sales and use tax, the ballots shall be printed to provide for voting for or against the following proposition: "The (increase or decrease) of the local sales and use tax rate to (percentage)."

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

Sec. 451.411. RESULTS OF ELECTION; NOTICE. (a) If a majority of the votes received in an election to increase or decrease the rate of an authority's sales and use tax favor the proposition, the rate change takes effect as provided by Section 451.412.

(b) The authority shall send a notice of the election and a certified copy of the order canvassing the results of the election to the Texas Department of Transportation and the comptroller. The authority shall file a notice and a certified copy of the order in the deed records of each county in which the authority is located in the same manner as the results of a confirmation election are filed.

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

Sec. 451.412. EFFECTIVE DATE OF TAX RATE CHANGE. A rate increase or decrease in an authority's sales and use tax takes effect on:

(1) the first day of the first calendar quarter that begins after the date the comptroller receives the notice provided under Section 451.411(b); or

(2) the first day of the second calendar quarter that begins after the date the comptroller receives the notice, if within 10 days after the date of receipt of the notice the comptroller gives written notice to the presiding officer of the board that the comptroller requires more time to implement tax collection and reporting procedures.

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

Sec. 451.413. TAX EFFECTIVE DATES AFTER ELECTION CONTEST. (a) The contestant of an election under this subchapter shall send the comptroller by registered or certified mail within 10 days after the date the contest is filed a copy of the notice of contest that shows:

- (1) the style of the contest;
- (2) the date the contest is filed;
- (3) the case number; and
- (4) the court in which the contest is pending.

(b) On receipt of the notice under Subsection (a), the effective date of an authority's sales and use tax or change in the rate of an authority's sales and use tax to result from the election is suspended.

(c) The presiding officer of the board shall notify by registered or certified mail the comptroller when a final judgment of a contest to an election under this subchapter is entered and enclose with the notice a certified copy of the final judgment.

(d) If the result of the election adopting the authority's local sales and use tax or changing the tax rate is sustained, the comptroller, in determining the effective date of the tax, shall substitute the date of receipt of the notice of the final judgment for the date of receipt of the notice of election results.

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

Sec. 451.414. MAXIMUM RATE OF VEHICLE EMISSIONS TAX. (a) Each year that a board imposes a motor vehicle emissions tax, the board shall set the motor vehicle emissions tax rate as a percentage of the maximum tax rate specified for each class of vehicles in the following table:

Cubic Inches of Cylinder Displacement	Annual Tax for Each Vehicle
51-100	6
101-200	7
201-300	8
301-900	10
901 or more	15

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

Sec. 451.415. EXEMPTIONS. (a) The following vehicles are exempt from a vehicle emissions tax imposed by an authority on the owner of the vehicle:

(1) a vehicle that is the property of and used exclusively in the service of the United States, this state, or a county, municipality, school district, or authority of this state;

(2) a vehicle used exclusively for fire fighting; and

(3) a vehicle that:

(A) is owned by a person doing business both in and outside the authority or only outside the authority;

(B) is not stationed or customarily kept in the authority; and

(C) is operated in the authority for an average period of less than two days each calendar week during a tax year or portion of a tax year during which the tax accrues.

(b) To receive the exemption under Subsection (a)(3), the owner of a vehicle must file with the county assessor-collector an affidavit specifying each vehicle for which the exemption is claimed.

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

Sec. 451.416. EMISSIONS TAX YEAR. (a) A motor vehicle emissions tax year begins on April 1 of each year and is divided into quarters.

(b) A tax accruing during the second quarter of the tax year is three-fourths of the amount of the annual tax. A tax accruing during the third quarter is one-half of the amount of the annual tax. A tax accruing during the fourth quarter is one-fourth of the amount of the annual tax.

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

Sec. 451.417. EMISSIONS TAX PAYMENTS: DELINQUENCY. Motor vehicle emissions taxes for a tax year become payable on February 1 and become delinquent if not paid by April 1 of the tax year. The taxes on a motor vehicle that becomes subject to the tax on or after April 1 of the tax year become delinquent if not paid by the 61st day after the date the taxes accrue.

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

Sec. 451.418. COLLECTION OF EMISSIONS TAXES BY COUNTY ASSESSOR-COLLECTOR. (a) The county assessor-collector of a county in which an authority has territory shall collect the authority's motor vehicle emissions taxes from residents of the authority who reside in that county.

(b) A resident of an authority shall pay the motor vehicle emissions tax for each motor vehicle owned or controlled by the resident to the county assessor-collector at the time and with whom the resident applies for registration of the resident's motor vehicle for the ensuing registration year. An applicant for registration shall pay the full amount of the motor vehicle emissions tax for the tax year unless application is made after June 30 of the tax year and the applicant files with the county assessor-collector an affidavit that the vehicle has not for any previous quarter of the tax year been operated in the authority. The county assessor-collector shall issue to each taxpayer, on payment of the tax, the original motor vehicle emissions tax receipt bearing an identifying number or symbol for the motor vehicle for which the tax is paid. One copy of the receipt shall be retained by the county assessor-collector.

(c) A county assessor-collector may not register a motor vehicle subject to an authority's motor vehicle emissions tax until the motor vehicle emissions tax is paid for the tax year or other period that the motor vehicle emissions tax is due.

(d) The board shall, on or before November 1 of each year,

certify to the county assessor-collector of each county having territory in the authority the motor vehicle emissions tax rate for each class of motor vehicles for the succeeding tax year. The board shall furnish to the county assessor-collector motor vehicle emissions tax receipts in triplicate.

(e) A county assessor-collector is entitled to a fee of 45 cents for each motor vehicle emissions tax receipt issued by the assessor-collector to be used for paying the expenses incurred in collecting the tax and issuing the tax receipts under this section.

(f) After deducting the fee authorized by Subsection (e), the county assessor-collector shall, on or before the 15th day of each month, send to the authority all taxes, penalties, and interest collected on behalf of the authority during the preceding calendar month. The county assessor-collector and the authority may agree to a payment schedule and interval other than the schedule and interval specified by this subsection.

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

Sec. 451.419. PENALTIES AND INTEREST: EMISSIONS TAXES. (a) The following penalties apply to the late payment of motor vehicle emissions taxes:

Date Tax Paid	Penalty
during the second month of delinquency	two percent
during the third month of delinquency	three percent
during the fourth month of delinquency	four percent
during the fifth month of delinquency	five percent
after the fifth month of delinquency	eight percent

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

Sec. 451.420. BOARD RULES: EMISSIONS TAXES. The board may adopt rules relating to the collection and payment of the authority's motor vehicle emissions taxes.

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

SUBCHAPTER J. FINANCIAL AND PERFORMANCE AUDITS

Sec. 451.451. FINANCIAL AUDITS. (a) The board of an authority shall have an annual audit of the affairs of the authority prepared by an independent certified public accountant or a firm of independent certified public accountants.

(b) The audit is open to public inspection.

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

Sec. 451.452. REVIEW OF AUDIT: CERTAIN AUTHORITIES. (a) The board shall deliver a copy of each audit prepared under Section 451.451 to:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives;
- (4) the state auditor;
- (5) the county judge of each county having territory in the authority; and

(6) the presiding officer of the governing body of each municipality having territory in the authority.

(b) The state auditor may elect to file any comments about the audit with the legislative audit committee and the board, subject to a risk assessment performed by the state auditor and to the legislative audit committee's approval of including the preparation of the comments in the audit plan under Section 321.013, Government Code.

(c) The state auditor may:

- (1) examine any work papers from the audit; or
- (2) audit the financial transactions of the authority if the state auditor determines an audit is necessary.

(d) This section applies only to an authority in which the principal municipality has a population of more than 1.2 million or less than 750,000, except that Subsections (a)(5) and (6) do not apply to an authority in which the principal municipality has a population of more than 1.2 million.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 785, Sec. 69, eff. Sept. 1, 2003.

Sec. 451.454. PERFORMANCE AUDITS: CERTAIN AUTHORITIES. (a) The board of an authority in which the principal municipality has a population of more than 1.2 million or less than 750,000 shall contract at least once every four years for a performance audit of

the authority to be conducted by a firm that has experience in reviewing the performance of transit agencies.

(b) The purposes of the audit are to provide:

(1) evaluative information necessary for the performance of oversight functions by state and local officers; and

(2) information to the authority to assist in making changes for the improvement of the efficiency and effectiveness of authority operations.

(c) Each audit must include an examination of:

(1) one or more of the following:

(A) the administration and management of the authority;

(B) transit operations; or

(C) transit authority system maintenance;

(2) the authority's compliance with applicable state law, including this chapter; and

(3) the following performance indicators:

(A) operating cost per passenger, per revenue mile, and per revenue hour;

(B) sales and use tax receipts per passenger;

(C) fare recovery rate;

(D) average vehicle occupancy;

(E) on-time performance;

(F) number of accidents per 100,000 miles; and

(G) number of miles between mechanical road calls.

(d) A subject described under Subsection (c)(1) must be examined at least once in every third audit.

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

Sec. 451.455. COMPUTATION OF PERFORMANCE INDICATORS. (a) An authority's operating cost per passenger is computed by dividing the authority's annual operating cost by the passenger trips for the same period.

(b) The sales and use tax receipts per passenger are computed by dividing the annual receipts from authority sales and use taxes by passenger trips for the same period.

(c) The operating cost per revenue hour is computed by dividing the annual operating cost by the total of scheduled hours that authority revenue vehicles are in revenue service for the same period.

(d) The operating cost per revenue mile is computed by dividing the annual operating cost by the number of miles traveled by authority revenue vehicles while in revenue service for the same period.

(e) The fare recovery rate is computed by dividing the annual revenue, including fares, tokens, passes, tickets, and route guarantees, provided by passengers and sponsors of passengers of revenue vehicles, by the operating cost for the same period. Charter revenue, interest income, advertising income, and other operating income are excluded from revenue provided by passengers and sponsors of passengers.

(f) The average vehicle occupancy is computed by dividing the annual passenger miles by the number of miles traveled by authority revenue vehicles while in revenue service for the same period. The annual passenger miles are computed by multiplying the annual passenger trips and the average distance ridden by passengers during the same period.

(g) On-time performance is computed by determining an annual percentage of revenue vehicle trips of revenue vehicles that depart from selected locations at a time not earlier than the published departure time and not later than five minutes after that published time.

(h) The number of accidents per 100,000 miles is computed by multiplying the annual number of accidents by 100,000 and dividing the product by the number of miles for all service, including charter and nonrevenue service, directly operated by the authority for the same period. In this subsection, "accident" includes:

(1) a collision that involves an authority's revenue vehicle, other than a lawfully parked revenue vehicle, and that results in property damage, injury, or death; and

(2) an incident that results in the injury or death of a person on board or boarding or alighting from an authority's revenue vehicle.

(i) The number of miles between mechanical road calls is

computed by dividing the annual number of miles for all service directly operated by an authority, including charter and nonrevenue service, by the number of mechanical road calls for the same period. In this subsection, "mechanical road call" means an interruption in revenue service that is caused by revenue vehicle equipment failure that requires assistance from a person other than the vehicle operator before the vehicle can be operated normally.

(j) In this section:

(1) "Operating cost" means an authority's costs of providing public transit service, including purchased transit service not performed by the authority, but excluding the costs of:

(A) depreciation, amortization, and capitalized charges;

(B) charter bus operations; and

(C) coordination of carpool and vanpool activities.

(2) "Passenger trips" means the number of all passenger boardings, including transfers, but excluding charter passengers and carpool and vanpool passengers whose trips are only coordinated by an authority.

(3) "Revenue service" means the time an authority revenue vehicle is in service to carry passengers, other than charter passengers.

(4) "Revenue vehicle" means a vehicle that is:

(A) used to carry paying passengers; and

(B) operated by an authority or as a purchased service.

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

Sec. 451.456. PERFORMANCE AUDIT RESPONSE; HEARING. (a) An authority for which a performance audit is conducted under Section 451.454 shall prepare a written response to the audit report. The response must include each proposal for action relating to recommendations included in the report, whether the proposal for action is pending, adopted, or rejected.

(b) The authority shall make copies of the report and the response available for public inspection at the offices of the authority during normal business hours.

(c) The authority shall conduct a public hearing on each performance audit report and the authority's response under Subsection (a). The authority shall give notice of the hearing by publication of the notice in a newspaper of general circulation in the area included in the authority at least 14 days before the date of the hearing.

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

Sec. 451.457. DELIVERY OF REPORT AND RESPONSE. An authority required by Section 451.454 to contract for a performance audit shall, before February 1 of every second odd-numbered year, deliver a copy of each audit report and of the authority's response to the report to:

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives;

(4) each member of the legislature whose district includes territory in the authority;

(5) the state auditor;

(6) the county judge of each county having territory in the authority; and

(7) the presiding officer of the governing body of each municipality having territory in the authority.

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

SUBCHAPTER K. BOARDS

Sec. 451.501. BOARD MEMBERSHIP. (a) Except as provided by Subsection (b), a board is composed of:

(1) five members; plus

(2) the number of additional members determined under Subsection (c), (d), or (e).

(b) The board of an authority created by an alternate municipality is composed of five members.

(c) If less than 50 percent of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has two additional members.

(d) If 50 percent or more but less than 75 percent of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has four

additional members.

(e) If 75 percent or more of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has six additional members.

(f) In this section and Section 451.502, "principal county" means the county in which not less than 51 percent of the territory of the principal municipality is located.

(g) This section does not apply to the board of an authority described by Section 451.5021(a).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 240, Sec. 1, eff. Aug. 15, 1997.

Sec. 451.502. APPOINTMENT OF MEMBERS. (a) The five board members under Section 451.501(a)(1) are appointed by the governing body of the principal municipality, except in an authority having a principal municipality with a population of more than 1.2 million, the five board members are appointed by the mayor of the principal municipality and are subject to confirmation by the governing body of the principal municipality.

(b) In an authority created by an alternate municipality, the board members are appointed by the mayor of the alternate municipality and are subject to confirmation by the governing body of the alternate municipality.

(c) In an authority having two additional members, the additional members are appointed as follows:

(1) one member appointed by a panel composed of:

(A) the mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and

(B) the county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county; and

(2) one member appointed by the commissioners court of the principal county.

(d) In an authority having four additional members, the additional members are appointed as follows:

(1) two members appointed by a panel composed of:

(A) the mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and

(B) the county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county; and

(2) two members appointed by the commissioners court of the principal county.

(e) In an authority having six additional members, the additional members are appointed as follows:

(1) two members appointed by a panel composed of:

(A) the mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and

(B) the county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county;

(2) three members appointed by the commissioners court of the principal county; and

(3) one member, who serves as presiding officer of the board, appointed by a majority of the board.

(f) This section does not apply to the board of an authority described by Section 451.5021(a).

(g) The principal municipality shall make its appointments to the board so that at least one of the appointees is designated to represent the interests of the transportation disadvantaged.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 240, Sec. 2, eff. Aug. 15, 1997; Acts 2001, 77th Leg., ch. 1038, Sec. 2, eff. Sept. 1, 2001.

Sec. 451.5021. BOARD COMPOSITION; CERTAIN AUTHORITIES. (a) This section applies only to the board of an authority in which each member of the governing body of the principal municipality is elected at large.

(b) The board is composed of seven members who are appointed as follows:

(1) two members representing the general public appointed by the metropolitan planning organization designated by the governor that serves the area of the authority;

(2) two members appointed by the governing body of the principal municipality;

(3) one member appointed by the commissioners court of the principal county;

(4) one member appointed by a panel composed of the mayors of all the municipalities in the authority located in the principal county of the authority, excluding the mayor of the principal municipality; and

(5) one member appointed by a panel composed of:

(A) the mayors of all municipalities in the authority located outside the principal county of the authority, excluding the mayor of the principal municipality;

(B) the county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county; and

(C) the presiding officer of each municipal utility district that:

(i) has a majority of its territory located outside the principal county; and

(ii) is located wholly or partly in the authority.

(c) Only a member of a metropolitan planning organization who is an elected officer of a political subdivision in which a tax of the authority is collected is entitled to vote on an appointment under Subsection (b)(1).

(d) A person appointed under Subsection (b)(2), (3), (4), or (5):

(1) must be a member of the governing body:

(A) of the political subdivision that is entitled to make the appointment; or

(B) over which a member of the panel entitled to make an appointment presides;

(2) vacates the office of board member if the person ceases to be a member of the governing body described by Subdivision (1);

(3) serves on the board as an additional duty of the office held on the governing body described by Subdivision (1); and

(4) is not entitled to compensation for serving as a member of the board.

(e) A panel appointing a member under this section operates in the manner prescribed by Section 451.503.

(f) In this section, "principal county" has the meaning assigned by Section 451.501(f).

(g) This section continues to apply to a board the composition of which was determined under this section, notwithstanding a change in the method of electing the members of the governing body of the principal municipality.

(h) The principal municipality shall make its appointments to the board so that at least one of the appointees is designated to represent the interests of the transportation disadvantaged.

Added by Acts 1997, 75th Leg., ch. 240, Sec. 3, eff. Aug. 15, 1997. Amended by Acts 1999, 76th Leg., ch. 652, Sec. 1, eff. Aug. 30, 1999; Acts 2001, 77th Leg., ch. 1038, Sec. 3, eff. Sept. 1, 2001.

Sec. 451.503. APPOINTMENTS PANEL. (a) The mayor of the most populous municipality represented on a panel under Section 451.502 serves as the presiding officer of the panel.

(b) The presiding officer shall, by giving written notice to each member, call a meeting of the panel as necessary to make an appointment. An appointment shall be made not later than the 60th day after the date a position becomes vacant, including the initial vacancy on the creation of the position.

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

Sec. 451.5035. DESIGNATION OF ALTERNATE BY MAYOR. (a) This section applies only to an authority in which the principal municipality has a population of less than 300,000.

(b) The mayor of a municipality who is unable to attend a meeting of an appointments panel may designate a person to:

(1) represent the municipality at the meeting; and

(2) vote at the meeting.

(c) To be eligible to be designated under Subsection (b), a person must be a council member, alderman, commissioner, or other officer of the municipality.

(d) A designation under Subsection (b) must:

(1) be in writing;

(2) be signed by the mayor; and

(3) be filed with the minutes of the appointments panel kept by the authority.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.27(a), eff. Sept. 1, 1997.

Sec. 451.504. BOARD VACANCIES. (a) A vacancy on a board is filled by the person or entity that appointed the member who was in the position that is vacant. If confirmation of the previous position was required, confirmation of the vacancy appointment is required in the same manner.

(b) A vacancy for an unexpired term is for the remainder of the term only.

(c) A member of the board who is appointed as presiding officer under Section 451.502(e)(3) vacates the previous board position.

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

Sec. 451.505. BOARD TERMS. (a) The term of board membership is two years.

(b) The terms of members of a board are staggered if the authority was:

(1) created before 1980 and has a principal municipality with a population of less than 1.2 million; or

(2) confirmed before July 1, 1985, and has a principal municipality with a population of less than 750,000.

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

Sec. 451.506. TERM LIMITATIONS. (a) A member of the board may be reappointed except as provided by this section.

(b) An individual may not serve more than eight years on the same board and may not be appointed to a term for which service to the completion of the term would exceed this limitation. This subsection applies only to a board of an authority:

(1) in which the principal municipality has a population of more than 1.2 million or less than 300,000; or

(2) created before 1980 and in which the principal municipality has a population of less than 1.2 million.

(c) An individual may serve two terms as presiding officer under Section 451.502(e)(3), in addition to any service on the board before being appointed under that subsection. This subsection does not apply to an individual serving on the board of an authority described by Subsection (b) or an authority confirmed before July 1, 1985, and in which the principal municipality has a population of less than 750,000.

(d) A term limitation provided by this section does not apply to service on the board by a holdover pending the qualification of a successor.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2005, 79th Leg., ch. 22, Sec. 1, eff. May 9, 2005.

Sec. 451.507. BOARD MEMBERSHIP: RESIDENCY IN AUTHORITY. A member of the board must be a qualified voter residing in the authority.

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

Sec. 451.508. REMOVAL BY BOARD. A board member may be removed from office by the other members of the board because of a ground for removal described by Section 451.510.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.28(a), eff. Sept. 1, 1997.

Sec. 451.509. REMOVAL BY APPOINTING PERSON OR ENTITY. (a) In an authority in which the principal municipality has a population of less than 750,000 and in which the authority's sales and use tax is imposed at a rate of one percent, a member of the board may be removed from office for any ground described by Section 451.510 by a majority vote of the entity that appointed the member.

(b) In an authority in which the principal municipality has a population of less than 300,000, a member of the board may be removed for any ground described by Section 451.510 by the entity that appointed the member. This subsection does not apply to the removal of a member serving as the presiding officer appointed by the board.

(c) In an authority in which the principal municipality has a population of more than 750,000, a member of the board may be removed for any ground described by Section 451.510 by the person or entity that appointed the member. If the person who appointed the member is the mayor of the principal municipality, the removal is by recommendation of the mayor and confirmation by the municipality's governing body. If the member to be removed was appointed by the mayor of the principal municipality, the statement required by Section 451.511(a) shall be given by the mayor, and confirmation of removal by the governing body of the municipality is necessary.

(d) In an authority in which the principal municipality has a population of less than 750,000 or more than 1.2 million, a

general manager who has knowledge that a potential ground for removal applicable to a member of the authority's board exists shall notify the presiding officer of the board of the ground, and the presiding officer shall notify the person that appointed the member against whom the potential ground applies of the ground. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.28(b), eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 669, Sec. 138, eff. Sept. 1, 2001.

Sec. 451.510. GROUNDS FOR REMOVAL FROM BOARD. The grounds for removal of a member of a board are:

- (1) inefficiency in office;
- (2) nonfeasance or malfeasance in office;
- (3) not having at the time of appointment or not maintaining during service on the board the qualifications for office described by Section 451.507;
- (4) a violation of Chapter 171, Local Government Code, or Section 451.112;
- (5) the inability, because of illness or disability, to discharge the member's duties of office during a substantial part of the term for which the member is appointed; and
- (6) absence, without having been excused by a majority vote of the board, from more than one-half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year.

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

Sec. 451.511. REMOVAL OF BOARD MEMBER: NOTICE AND HEARING. (a) The person or entity proposing to remove a board member under Section 451.508 or 451.509 shall give the member a written statement of the grounds for removal. The member is entitled to a hearing before the board or entity if, before the 11th day after the date the statement is received, the member requests a hearing. The member may be represented by counsel at the hearing.

(b) At a hearing under this section, the board or entity shall confirm the removal of the member if the board or entity finds that the charges are true.

(c) A removal by the board is by a majority vote of the other members.

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

Sec. 451.512. GROUND FOR REMOVAL: VALIDITY OF BOARD ACTS. (a) Except as provided by Subsection (b), in an authority in which the principal municipality has a population of less than 750,000 or more than 1.2 million, an action of the board is not invalid because a ground for removal of a board member exists.

(b) An action that was taken when a ground for removal under Section 451.510(4) existed and that would not have passed the board without the vote of the person who is the subject of the ground for removal is voidable.

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

Sec. 451.513. RECALL OF MEMBERS: CERTAIN AUTHORITIES. (a) A board member of an authority that has a principal municipality with a population of more than 750,000 may be removed, as provided by this section, on a petition for the recall of the member submitted by the registered voters of the authority. Recall of a member under this section is in addition to any other method for removal under this subchapter.

(b) The entity that confirmed a board member, or if there is no confirmation, the entity that appointed a board member, shall take action under this section to remove the member or to reconfirm the member's appointment:

(1) on receipt of notice from the secretary of state that a valid recall petition was presented to the entity; or

(2) if the secretary of state fails to notify the entity as required by Subsection (d).

(c) A recall petition under this section is valid if:

(1) it states that the petition is to require the consideration of the removal of a specified board member;

(2) it is signed by registered voters of the authority in a number equal to or greater than 10 percent of the number of votes cast in the authority in the preceding gubernatorial election;

(3) the signatures meeting the requirement in Subdivision (2) are collected not earlier than the 90th day before the date the petition is presented to the entity; and

(4) it is presented to the entity before the first day of the final six months of the term of the member who is the subject

of the petition.

(d) After receiving a petition under this section the entity shall send it to the secretary of state. The secretary of state shall, not later than the 10th day after the date the petition is received, determine whether the petition is valid and notify the entity of the determination.

(e) Not later than the 30th day after the date a member is removed under this section, the vacancy shall be filled as otherwise provided by this chapter, except that the individual removed by recall may not be reappointed to fill the vacancy. Beginning on the day after the date of the removal, the individual removed may not be appointed to any other position on the board for a period equal to the normal term of office for a board member.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.28(c), eff. Sept. 1, 1997.

Sec. 451.514. BOARD MEETINGS: WHEN HELD. (a) A board shall hold at least one regular meeting each month to transact the business of the authority. The board by resolution recorded in the minutes of the board's meetings shall set the place, date, and time for each regular meeting.

(b) The presiding officer of the board or the general manager of the authority may by written notice call a special meeting of the board.

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

Sec. 451.515. BOARD MEETINGS: VOTING. (a) An action of a board requires a vote of a majority of the members of the board present at a board meeting unless the bylaws of the board require a larger number for a particular action.

(b) This section does not permit a board action in the absence of a quorum.

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

Sec. 451.516. INCREASE OF MEMBERSHIP: CONTINUITY. If the membership of a board is increased under Section 451.501, the board as constituted immediately before the increase may continue as the board of the authority until the additional members are appointed and seated.

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

Sec. 451.517. BOARD MEETINGS: RULES AND BYLAWS. A board by resolution may adopt rules and bylaws for the conduct of board meetings. These rules and bylaws shall be recorded in the minutes of board meetings.

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

Sec. 451.518. BOARD MEETINGS: NOTICE. In addition to notice required by Chapter 551, Government Code, a board shall post a board meeting notice in the authority's administrative offices and at the courthouse of the most populous county in which the principal municipality of the authority is located, each on a bulletin board at a place convenient to the public.

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

Sec. 451.519. BOARD MEMBERS: EXPENSES; PER DIEM. (a) An authority shall reimburse a board member for all necessary expenses incurred in the discharge of official authority duties.

(b) Except as provided by Subsection (c), an authority in which the principal municipality has a population of more than 1.1 million shall pay a member \$50 for each meeting of the board attended by the member not exceeding five meetings in a calendar month.

(c) A board member in an authority created by an alternate municipality receives no compensation for attending a board meeting.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 139, eff. Sept. 1, 2001.

Sec. 451.520. BOARD OFFICERS AND SECRETARIES. (a) The board shall elect from among its membership a presiding officer, an assistant presiding officer, and a secretary. This subsection does not apply to the selection of a presiding officer who is appointed under Section 451.502(e)(3).

(b) The board may appoint one or more assistant secretaries, who are not required to be members.

(c) The secretary and assistant secretaries shall keep a permanent record of the proceedings and transactions of the board and perform other duties required by the board.

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

SUBCHAPTER L. ADDITION OF TERRITORY

Sec. 451.551. ADDITION OF TERRITORY BY MUNICIPAL

ANNEXATION. When a municipality that is part of an authority annexes territory that before the annexation is not part of the authority, the annexed territory becomes part of the authority. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.552. ADDITION OF MUNICIPALITY BY ELECTION. (a) The territory of a municipality that is not a part of an authority may be added to an authority if:

(1) any part of the municipality is located in a county, or in any county adjacent to a county, in which the authority is located;

(2) the governing body of the municipality orders an election under this section on whether the territory of the municipality should be added to the authority; and

(3) a majority of the votes received in the election favor the measure.

(b) The governing body of the municipality shall certify to the authority the result of an election in which the addition is approved.

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

Sec. 451.553. ADDITION OF COUNTY AREA BY ELECTION. (a) The territory of a part of a county that is not a part of an authority and that is designated by the commissioners court of the county may be added to an authority if:

(1) any part of the county is located in the authority or any part of an adjacent county is located in the authority;

(2) the commissioners court orders an election in the designated area under this section on whether the area should be added to the authority; and

(3) a majority of the votes received in the election favor the measure.

(b) In designating an area under this section, the commissioners court may not, to the extent practicable, divide a county election precinct.

(c) The commissioners court shall certify to the authority the result of an election in which the addition is approved.

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

Sec. 451.554. BOARDS APPROVAL OF ANNEXATION: EFFECTIVE DATE. (a) The addition of territory annexed under Section 451.551, or approved under Section 451.552 or 451.553, does not take effect if, before the effective date of the addition under Subsection (b), the board of the authority gives written notice to the governing body of the municipality that added new territory to the authority by virtue of annexation, or to the governing body of the municipality or the commissioners court of the county that held the election, that the addition would create a financial hardship on the authority because:

(1) the territory to be added is not contiguous to the territory of the existing authority; or

(2) the addition of the territory would impair the imposition of the sales and use tax authorized by this chapter.

(b) In the absence of a notice under Subsection (a), the addition of territory takes effect on the 31st day after the date of the:

(1) municipal ordinance, if annexed by a municipality under Section 451.551; or

(2) election, if approved under Section 451.552 or 451.553.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2005, 79th Leg., ch. 281, Sec. 2.81, eff. June 14, 2005.

Sec. 451.555. ADDED TERRITORY: EFFECTIVE DATE OF TAXES. (a) Except as provided by Subsection (b), a tax imposed by an authority takes effect in territory added to the authority when the addition takes effect.

(b) A sales and use tax imposed by an authority under Subchapter I takes effect in territory added to the authority under this subchapter on the first day of the first calendar quarter that begins after the date the comptroller receives:

(1) a certified copy of an order adding the territory or of an order canvassing the returns and declaring the result of the election; and

(2) a map of the authority showing clearly the territory added.

(c) The presiding officer of the board shall send the order and map required under Subsection (b) to the comptroller by certified or registered mail.

(d) The order must include the effective date of the tax.

(e) The comptroller may delay implementation of the sales and use tax in the added territory for one calendar quarter by notifying the presiding officer of the board before the 11th day after the date the comptroller receives the order and map under this section that the comptroller requires more time. If implementation is delayed, the tax takes effect on the first day of the second calendar quarter that begins after the date the comptroller receives the order and map.

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

SUBCHAPTER M. WITHDRAWAL OF TERRITORY FROM AUTHORITY

Sec. 451.601. UNIT OF ELECTION DEFINED. In this subchapter, "unit of election" means:

(1) a municipality, including a principal municipality; or

(2) an unincorporated area designated by a commissioners court under Section 451.657 as a discrete unit for the purposes of a confirmation election.

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

Sec. 451.602. AUTHORITIES COVERED BY SUBCHAPTER. Except as provided by Section 451.617, this subchapter applies only to an authority in which the principal municipality has a population of less than 750,000 and that was confirmed before July 1, 1985.

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

Sec. 451.603. WITHDRAWAL OF UNIT OF ELECTION. (a) The governing body of a unit of election may order an election to withdraw the unit of election from an authority.

(b) On the determination by a governing body of a unit of election that a petition for withdrawal under this subchapter is valid, the governing body shall order an election to withdraw the unit of election from the authority.

(c) An election to withdraw may not be ordered, and a petition for an election to withdraw may not be accepted for filing, on or before the fifth anniversary after the date of a previous election in the unit to withdraw from the authority.

(d) An attempt by a unit of election to withdraw from an authority in a manner other than as provided by this subchapter is void.

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

Sec. 451.604. PETITION FOR WITHDRAWAL ELECTION. (a) At the request of a registered voter of a unit of election in an authority, the municipal secretary or other clerk or administrator of the unit of election shall deliver to the voter, in the number requested, petition signature sheets for a petition to withdraw from the authority prepared by, numbered, and authenticated by the municipal secretary or other official. During the period that signatures on the petition may be obtained, the official shall authenticate and deliver additional petition signature sheets as requested by the voter. Only one petition for withdrawal may be in circulation at a time.

(b) Each sheet of a petition must have a heading in capital letters as follows:

"THIS PETITION IS TO REQUIRE AN ELECTION TO BE HELD IN (name of the unit of election) TO DISSOLVE (name of authority) IN (name of the unit of election) SUBJECT TO THE CONTINUED COLLECTION OF SALES TAXES FOR THE PERIOD REQUIRED BY LAW."

(c) In addition to the requirements of Section 277.002, Election Code, to be valid a petition must:

(1) be signed on authenticated petition sheets by not less than 20 percent of the number of registered voters of the unit of election as shown on the voter registration list of each county in which the unit of election is located;

(2) be filed with the secretary, clerk, or administrator of the unit of election not later than the 60th day after the date the first sheet of the petition was received under Subsection (a);

(3) contain signatures that are signed in ink or indelible pencil by the voter; and

(4) have affixed or printed on each sheet an affidavit that is executed before a notary public by the person who circulated the sheet and that is in the following form and substance:

"STATE OF TEXAS

"COUNTY OF _____

"I, _____, affirm that I personally witnessed

each signer affix his or her signature to this page of this petition for the dissolution of (name of authority) in the (name of unit of election). I affirm to the best of my knowledge and belief that each signature is the genuine signature of the person whose name is signed and that the date entered next to each signature is the date the signature was affixed to this page.

"Sworn to and subscribed before me this the _____ day of _____, _____."
(SEAL)

Notary Public, State of Texas"

(d) Each sheet of the petition must be filed under Subsection (c)(2) at the same time as a single filing.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.605. REVIEW OF PETITION. (a) The secretary, clerk, or administrator of a unit of election in which a petition for withdrawal from an authority is filed shall examine the petition and file with the governing body of the unit a report stating whether the petition, in the opinion of the secretary, clerk, or administrator, is valid.

(b) On receipt of a petition and a report under Subsection (a), the governing body shall examine the petition to determine whether the petition is valid. The governing body may hold public hearings and conduct or order investigations as appropriate to make the determination. The governing body's determination is conclusive of the issues.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.606. INVALID PETITION. (a) The governing body of a unit of election that receives an invalid petition shall reject the petition.

(b) A petition that is rejected is void and the petition and each sheet of the rejected petition may not be used in connection with a subsequent petition.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.607. ELECTION. (a) An election to withdraw from an authority ordered under this subchapter must be held on the first applicable uniform election date occurring after the expiration of 90 days after the date the governing body orders the election.

(b) The governing body shall give notice of the election to the board, the Texas Department of Transportation, and the comptroller immediately on calling the election.

(c) At the election the ballot shall be printed to provide for voting for or against the proposition: "Shall the (name of authority) be continued in (name of unit of election)?"

(d) The election shall be held in the regular precincts and at the regular voting places.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.608. RESULT OF WITHDRAWAL ELECTION. (a) If a majority of the votes received on the measure in an election held under Section 451.607 favor the proposition, the authority continues in the unit of election.

(b) If less than a majority of the votes received on the measure in the election favor the proposition, the authority ceases in the unit of election on the day after the day the election returns are canvassed.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.609. EFFECT OF WITHDRAWAL. (a) On the effective date of a withdrawal from an authority:

(1) the authority shall, except as provided by Section 451.610, cease providing transportation services in the withdrawn unit of election; and

(2) the financial obligations of the authority attributable to the withdrawn unit of election cease to accrue.

(b) Withdrawal from an authority does not affect the right of the authority to travel through the territory of the unit of election to provide service to a unit of election that is a part of the authority.

(c) Taxes of the authority continue to be collected in the territory of a withdrawn unit of election after withdrawal until the net financial obligation of the unit of election to the authority has been collected.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.610. CONTINUATION OF SERVICES TO PERSONS WITH DISABILITIES. An authority shall continue to provide

transportation services for persons with disabilities in a withdrawn unit of election. The authority may not charge a fare for transportation services to persons with disabilities in the withdrawn unit that is more than the fare for those services for persons in the authority.

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

Sec. 451.611. DETERMINATION OF TOTAL AMOUNT OF FINANCIAL OBLIGATIONS OF WITHDRAWN UNIT. (a) The net financial obligation of a withdrawn unit of election to the authority is an amount equal to:

(1) the gross financial obligations of the unit, which is the sum of:

(A) the unit's apportioned share of the authority's outstanding obligations; and

(B) the amount, not computed in Subdivision (1)(A), that is necessary and appropriate to allocate to the unit because of financial obligations of the authority that specifically relate to the unit; minus

(2) the unit's apportioned share of the unencumbered assets of the authority that consist of cash, cash deposits, certificates of deposit, and bonds, stocks, and other negotiable securities.

(b) An authority's outstanding obligations under Subsection (a)(1)(A) is the sum of:

(1) the obligations of the authority authorized in the budget of, and contracted for by, the authority;

(2) outstanding contractual obligations for capital or other expenditures, including expenditures for a subsequent year, the payment of which is not made or provided for from the proceeds of notes, bonds, or other obligations;

(3) payments due or to become due in a subsequent year on notes, bonds, or other securities or obligations for debt issued by the authority;

(4) the amount required by the authority to be reserved for all years to comply with financial covenants made with lenders, note or bond holders, or other creditors or contractors; and

(5) the amount necessary for the full and timely payment of the obligations of the authority, to avoid a default or impairment of those obligations, including contingent liabilities.

(c) The apportioned share of a unit's obligation or assets is the amount of the obligation or assets times a fraction, the numerator of which is the number of inhabitants of the withdrawing unit of election and the denominator of which is the number of inhabitants of the authority, including the number of inhabitants of the unit.

(d) The board shall determine the amount of each component of the computations required under this section, including the components of the unit's apportioned share, as of the effective date of withdrawal. The number of inhabitants shall be determined according to the most recent and available applicable data of an agency of the United States.

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

Sec. 451.612. CERTIFICATION OF NET FINANCIAL OBLIGATION OF UNIT. (a) The board shall certify to the governing body of a withdrawn unit of election and to the comptroller the net financial obligation of the unit to the authority as determined under this subchapter.

(b) If there is no net financial obligation of the unit, the certification must show that fact.

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

Sec. 451.613. COLLECTION OF SALES AND USE TAX AFTER WITHDRAWAL. (a) Until the amount of revenue from an authority's sales and use tax collected in a withdrawn unit of election after the effective date of withdrawal and paid to the authority equals the net financial obligation of the unit, the sales and use tax continues to be collected in the territory of the unit of election.

(b) After the amount described by Subsection (a) has been collected or if the share of the authority's assets computed for the unit of election under Section 451.611 is greater than the gross financial obligation of the unit to the authority, the comptroller shall discontinue collecting the tax in the territory of the unit of election.

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

Sec. 451.614. REFUNDS OF EXCESS SALES AND USE TAX REVENUE. (a) The comptroller shall refund to the unit of election

the amount of the authority's sales and use tax revenue:

(1) that is in excess of the net financial obligation of the unit and was collected in the unit after the date of withdrawal; or

(2) if the unit's share of authority assets exceeded the unit's gross financial obligation to the authority, that was collected in the unit after the date of withdrawal.

(b) The comptroller may:

(1) determine the amount refundable under Subsection (a) in any reasonable manner;

(2) subtract any deduction otherwise allowed by law; and

(3) determine whether to pay a refund under this section from the suspense account of the authority or from other sales and use tax revenue of the authority.

(c) If the withdrawn unit of election has continuously been a part of the authority since the authority was confirmed at the initial confirmation election, the comptroller shall also refund to the governing body of the unit an amount equal to the amount by which the unit's apportioned share of the authority's assets exceeds the gross financial obligation of the unit.

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

Sec. 451.615. USE OF REFUNDED REVENUE. (a) The governing body of a unit of election that receives a refund under Section 451.614 may use the refund only for public purposes directly related to the functions of government that will benefit the residents of the unit as a whole.

(b) If the governing body distributes refund revenue to any other person, the governing body shall:

(1) ensure that the recipient spends the amount received to benefit the residents of the unit of election as a whole;

(2) ensure that the amount distributed is spent for public purposes that are the predominant purpose of the distribution; and

(3) condition the distribution by contract or other legal manner to provide the governing body with sufficient control of the use of the amounts distributed to ensure that the public purposes for which the distribution is made are carried out and to protect the public investment in the revenue.

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

Sec. 451.616. REVENUE FROM WITHDRAWN UNIT FOR PROVIDING SERVICES FOR PERSONS WITH DISABILITIES. (a) The comptroller shall withhold from the amount of sales and use tax revenue refunded to a unit of election that has withdrawn from an authority one-half of the difference between the cost of providing services to persons with disabilities in the unit of election and the fares charged during the period in which the sales and use tax was collected and remit this amount to the authority providing the services.

(b) The authority and the unit of election that has withdrawn shall determine the amount of the cost of providing services to persons with disabilities. If the authority and the unit of election cannot agree on the amount, the comptroller shall determine the amount.

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

Sec. 451.617. WITHDRAWAL: ALTERNATIVE METHOD FOR CERTAIN AUTHORITIES. (a) In an authority created before 1980 in which the principal municipality has a population of less than 1.2 million, a unit of election, other than the principal municipality, may withdraw from the authority, in addition to any other manner provided by law, by a vote of a majority of the registered voters of the unit of election voting at an election on the question of withdrawing from the authority.

(b) The governing body of a unit of election in the authority, other than the principal municipality, shall call an election under this section in a unit of election if a petition requesting that an election to withdraw from the authority be held is submitted to the governing body and is signed by at least 10 percent of the registered voters of the unit of election on the date the petition is submitted. To be counted for purposes of validating the petition, a signature on the petition must have been inscribed not earlier than the 120th day before the date the petition is submitted to the governing body.

(c) The governing body, before the 31st day after the date the petition is submitted to the governing body, shall determine

whether a petition under this section is valid, and if the governing body fails to act on the petition before the expiration of that period, the petition is valid.

(d) Sections 451.601, 451.607, 451.608, 451.609, 451.611, 451.612(a), and 451.613 apply to the withdrawal of a unit of election under this section.

(e) An election may not be held under this section on a date earlier than the first anniversary of the date of the most recent election held under this section.

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

SUBCHAPTER N. CREATION OF AUTHORITY

Sec. 451.651. INITIAL PROCEEDINGS TO CREATE AUTHORITY. (a) The governing body of an alternate municipality shall, on receipt of a petition requesting the creation of an authority and signed by not fewer than 500 registered voters of the municipality, initiate proceedings to create the authority. The governing body of an alternate municipality may initiate those proceedings without a petition.

(b) To initiate proceedings to create an authority, the governing body of an alternate municipality, by ordinance or resolution, must set a time and place for holding a public hearing and must define the boundaries of the areas proposed to be included in the authority.

(c) All the territory in the alternate municipality must be included in the initial authority, and the authority may include an area that is:

(1) completely surrounded by the alternate municipality; and

(2) designated by the alternate municipality as an industrial district.

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

Sec. 451.652. NOTICE OF HEARING. (a) Notice of the time and place of the hearing on the creation of an authority, including a description of the area proposed to be included in the authority, shall be published once each week for two consecutive weeks in a newspaper of general circulation in the alternate municipality. The first publication of the notice must be published not later than 15 days before the date scheduled for the hearing.

(b) The governing body of the alternate municipality shall furnish a copy of the notice under Subsection (a) to the Texas Department of Transportation.

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

Sec. 451.653. CONDUCT OF HEARING. (a) The governing body of the alternate municipality shall conduct the hearing on the creation of the authority at the place and time specified in the notice of the hearing. The hearing may be continued during the periods necessary to complete the hearing.

(b) Any interested person may appear at the hearing and offer:

(1) evidence on the issues described by Section 451.654(a); or

(2) other facts bearing on the creation, construction, or operation of the proposed transit authority system.

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

Sec. 451.654. ORDINANCE OF CREATION; FINDINGS. (a) The governing body of an alternate municipality, after hearing the evidence presented at the hearing, shall adopt an ordinance creating an authority if the governing body finds that the creation of the authority and the operation of a transit authority system would be:

(1) of benefit to the persons and property in the boundaries of the proposed authority;

(2) of public utility; and

(3) in the public interest.

(b) An ordinance creating an authority must:

(1) contain a description of the territory to be in the authority; and

(2) provide a name for the authority.

(c) After the hearing, the governing body shall submit the proposed plan to the governor's interagency council for transportation for review and comment.

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

Sec. 451.655. MUNICIPALITY TO FUND BOARD. The alternate municipality shall fund the board for research and planning purposes until the confirmation and tax election.

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

Sec. 451.656. BOARD TO ORDER ELECTION. The original board shall order a confirmation and tax election:

(1) when the board determines that implementation of the authority is feasible;

(2) after the board, by order recorded in its minutes, has determined the nature and rate of any tax proposed to be imposed; and

(3) after the board has notified the commissioners court of each county included in whole or part within the initial territory of the authority of the board's intention to order the election.

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

Sec. 451.657. COMMISSIONERS COURT TO DESIGNATE ELECTION AREAS. (a) Before the 31st day after the date a commissioners court receives a notice under Section 451.656(3), the commissioners court by order shall designate not more than five election areas in the unincorporated area of the county. The designated areas must include all of the unincorporated area of that county proposed to be included in the authority.

(b) To the extent practicable, each designated area must coincide with a boundary of a county election precinct so that no county election precinct is divided between two designated areas.

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

Sec. 451.658. ELECTION NOTICE. In addition to notice required by the Election Code, an election notice must contain a description of the nature and rate of any proposed tax. A copy of the election notice must be delivered to the Texas Department of Transportation and the comptroller.

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

Sec. 451.659. PROPOSITION. The board, in ordering an election under this subchapter, shall submit to the voters the following proposition: "Shall the creation of (name of authority) be confirmed and shall the levy of the proposed tax be authorized?"

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

Sec. 451.660. CONDUCT OF ELECTION: SEPARATE RESULTS FOR UNIT OF ELECTION. The election shall be conducted so that votes are separately tabulated and canvassed and that the result is declared in each unit of election in the authority as follows:

(1) the alternate city; and

(2) each election area designated under Section 451.657.

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

Sec. 451.661. RESULTS OF ELECTION; ORDER. (a) The board shall declare the results of the election separately by each unit of election. In each unit of election in which a majority of the votes received favor the proposition, the authority is confirmed and continues in each of those units, except that if the authority is not confirmed in the alternate municipality, the authority ceases in every unit of election. In each unit of election in which a majority of the votes received do not favor the confirmation of the authority, the authority ceases.

(b) If the authority continues, the board shall record the results in its minutes and adopt an order:

(1) declaring that the creation of the authority is confirmed;

(2) describing the territory of the authority;

(3) stating the date of the election;

(4) containing the proposition;

(5) showing the number of votes cast for or against the proposition in each unit of election; and

(6) showing the number of votes by which the proposition was approved in each unit of election in which the proposition was approved.

(c) The order must be accompanied with a map of the authority that shows the boundaries of the authority.

(d) A certified copy of the order and map shall be filed:

(1) with the Texas Department of Transportation;

(2) with the comptroller; and

(3) in the deed records of each county in which the authority is located.

(e) If the authority does not continue, the board shall adopt an order declaring that the result of votes cast at the election is that the authority ceases in the entirety. A certified copy of the order shall be filed with the Texas Department of

Transportation and the comptroller, and the authority is dissolved. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.662. COSTS OF BOARD. (a) The alternate municipality shall pay the costs incurred under Section 451.519(a) by members of the board before the authority receives revenue.

(b) The authority, after receiving revenue, shall reimburse the alternate municipality for costs paid under Subsection (a). Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.663. COMPOSITION OF BOARD ON CONFIRMATION. Except as required by Subchapter K, the composition of the board is not changed by confirmation of the authority. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.664. COST OF ELECTION. The alternate municipality shall pay the cost of the confirmation and tax election. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 451.665. EXPIRATION OF UNCONFIRMED AUTHORITY. An authority, the existence of which has not been confirmed, ceases on the earlier of:

(1) the third anniversary of the effective date of the ordinance creating the authority; or

(2) the date the governing body of the alternate municipality, with the consent of the board, abolishes the authority.

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

SUBCHAPTER O. ADVANCED TRANSPORTATION DISTRICT

Sec. 451.701. DEFINITIONS. In this subchapter:

(1) "Advanced transportation" means light rail, commuter rail, fixed guideways, traffic management systems, bus ways, bus lanes, technologically advanced bus transit vehicles and systems, bus rapid transit vehicles and systems, passenger amenities, transit centers, stations, electronic transit-related information, fare, and operating systems, high occupancy vehicle lanes, traffic signal prioritization and coordination systems, monitoring systems, and other advanced transportation facilities, equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operations, systems, and services.

(2) "District" means an advanced transportation district created under this subchapter.

(3) "Participating unit" means a municipality or the unincorporated area of a county that joins a district under this subchapter.

(4) "Mobility enhancement" means the design, construction, reconstruction, alteration, financing, and maintenance of:

(A) streets, roads, highways, high occupancy vehicle lanes, toll lanes, sidewalks, and infrastructure designed to improve mobility;

(B) traffic signal prioritization and coordination systems;

(C) monitoring systems;

(D) other mobility enhancement facilities, equipment, systems, and services; and

(E) any debt service requirement, capitalized interest, reserve fund requirement, credit agreement as defined by Section 1371.001, Government Code, administrative cost, or other bond-related cost incurred by or relating to the issuance of obligations by a county or municipality or by a local government corporation created under Chapter 431 acting on behalf of a county or municipality relating to the design, construction, reconstruction, alteration, financing, and maintenance of mobility enhancement projects.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999. Amended by Acts 2003, 78th Leg., ch. 336, Sec. 1, eff. June 18, 2003; Acts 2005, 79th Leg., ch. 382, Sec. 1, eff. June 17, 2005.

Sec. 451.702. ELECTION AUTHORIZED. (a) 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 700,000 may 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. If approved at the election, the rate of the sales and use tax for advanced transportation and mobility enhancement shall be set by the

governing body of the district at a rate of:

- (1) one-eighth of one percent;
- (2) one-fourth of one percent;
- (3) three-eighths of one percent; or
- (4) one-half of one percent.

(b) The board shall provide written notice of the board's intention to call an election under Subsection (a) to the governing body of each municipality and the commissioners court of each county any part of which is in the authority at least 120 days before the date of the proposed election.

(c) The authority shall pay the costs of an election ordered by the board under this section.

(d) At the election, the ballots shall be prepared to permit voting for or against the proposition: "The creation of an advanced transportation district and the imposition of a sales and use tax for advanced transportation and mobility enhancement within the district at the rate to be set by the governing body of the advanced transportation district."

(e) The proceeds of the sales and use tax imposed under this section shall be used by the district only for:

- (1) advanced transportation and mobility enhancement purposes as provided by Subsections (f)-(j); and
- (2) reimbursement to the authority for the cost of an election held under this section.

(f) The district shall use one-half of the proceeds of the sales and use tax only for advanced transportation purposes as determined by the governing body of the district. Those purposes may include a debt service requirement, capitalized interest, reserve fund requirement, credit agreement as defined by Section 1371.001, Government Code, administrative cost, or other bond-related cost incurred by or relating to the issuance of obligations by the district relating to the purchase, design, construction, reconstruction, alteration, financing, and maintenance of advanced transportation facilities, equipment, operations, systems, and services, including a feasibility study, operation, or professional or other service in connection with the facilities, equipment, operations, systems, and services.

(g) The governing body of the district shall remit one-fourth of the proceeds of the sales and use tax to each participating unit in proportion to the amount of the sales and use tax proceeds that were collected in that participating unit. A participating unit may use proceeds received under this subsection only for advanced transportation or mobility enhancement purposes in the territory of the authority.

(h) Payments under Subsection (g) shall be made monthly beginning the first day of the month after the month in which the authority receives proceeds of the sales and use tax imposed under this section.

(i) The governing body of the district shall place one-fourth of the proceeds of the sales and use tax in a separate account. Funds in the account, together with interest or other revenues earned on those funds, may be used as determined by the governing body of the district only to provide the appropriate amount to the Texas Department of Transportation, a county or municipality in which the district is located, or a local government corporation created under Chapter 431 as the local share of a state or federal grant, including a transfer of money by the Texas Department of Transportation or another state or federal entity under an agreement with a county, municipality, or local government corporation created by the county or municipality under Chapter 431, for advanced transportation or mobility enhancement purposes in the territory of the district.

(j) For projects to be funded under Subsection (i), the governing body of the district shall:

- (1) obtain recommendations from the appropriate metropolitan planning organization;
- (2) prioritize projects eligible for funding under that subsection; and

(3) consider in the selection and prioritization process the geographic location of other state or federally funded transportation projects, advanced transportation projects, and mobility enhancement projects so as to foster geographic equity in the planning and development of the projects.

(k) Pursuant to its authority under Subsection (i), the governing body of the district may enter into an agreement or other

contractual arrangement with a county, municipality, or local government corporation created under Chapter 431 by a county or municipality to transfer proceeds of the district's sales and use tax identified in Subsection (i) to the county, municipality, or local government corporation to finance any cost relating to mobility enhancement purposes in the territory of the district. The county, municipality, or local government corporation may pledge and create a lien on the proceeds transferred. The lien and pledge are subject to Chapter 1208, Government Code. Money of the district other than the portion of the district's sales and use tax identified in Subsection (i) may not be used or obligated for purposes identified in Subsection (i).

(1) The governing body of the district may enter into an agreement or contractual arrangement under Subsection (k) without the necessity of an election.

(m) As a condition of a payment under Subsection (i), the county, municipality, or local government corporation shall provide the governing body of the district a certificate indicating that the county, municipality, or local government corporation will use the money in conformity with this subchapter.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999. Amended by Acts 2003, 78th Leg., ch. 336, Sec. 2, eff. June 18, 2003; Acts 2005, 79th Leg., ch. 382, Sec. 2, eff. June 17, 2005.

Sec. 451.703. CONDUCT OF INITIAL ELECTION: SEPARATE RESULT. The election shall be conducted so that votes are separately tabulated and canvassed and that the result is declared in each unit of election in the authority as follows:

(1) in each municipality in the authority; and

(2) in the unincorporated area of each county in the authority.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

Sec. 451.704. RESULTS OF ELECTION; ORDER. (a) If a majority of the votes cast in the principal municipality of the authority are in favor of the proposition, the district is created and includes:

(1) the principal municipality;

(2) each municipality in which a majority of the votes cast favor the proposition; and

(3) the unincorporated area of each county in which a majority of the votes cast favor the proposition.

(b) If the district is created, the board shall record the results in its minutes and adopt an order:

(1) declaring that the district is created;

(2) describing the territory of the district;

(3) stating the date of the election;

(4) containing the proposition;

(5) showing the number of votes cast for or against the proposition in each unit of election; and

(6) showing the number of votes by which the proposition was approved in each unit of election in which the proposition was approved.

(c) The order must be accompanied by a map of the district that shows the boundaries of the district.

(d) A copy of the order and map shall be filed:

(1) with the department;

(2) with the comptroller; and

(3) in the deed records of each county in which the district is located.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

Sec. 451.705. SUBSEQUENT ELECTIONS. (a) If the initial election under Section 451.702 is held only in the principal municipality, or if the voters of another municipality or the unincorporated area of a county do not vote to join the district at the initial election under Section 451.702, the governing body of the other municipality or the commissioners court of the county may order an election in the municipality or the county at a later date on the question of joining the district, except that the election may not be held if the governing body of the district determines that the addition of the municipality or unincorporated area would create a financial hardship on the district because:

(1) the territory to be added is not contiguous to the territory of the existing district; or

(2) the addition of the territory would impair the imposition of the sales and use tax authorized by this subchapter.

(b) An election ordered under this section shall be held in the same manner as the initial election, except that the

governmental entity ordering the election shall pay the costs of the election, and the governing body of that entity shall canvass the vote, declare the results, and notify the district of the results of the election.

(c) If after an election held under this subchapter, the imposition of the district's tax would not exceed the limit imposed by Section 451.706(a), at the election the ballot shall be prepared to permit voting for or against substantially the following proposition: "Joining the Advanced Transportation District and authorizing a sales and use tax at the rate of _____ (rate imposed elsewhere in the district)."

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999. Amended by Acts 2005, 79th Leg., ch. 369, Sec. 1, eff. June 17, 2005.

Sec. 451.706. LIMITATION ON TAX RATE. (a) The combined rate of all sales and use taxes imposed by the district and all other political subdivisions of this state may not exceed two percent in any location in the district.

(b) If the approval of the district's tax at an election held under Section 451.705 would cause the tax in a political subdivision to exceed the limit imposed under Subsection (a), the governing body of the political subdivision holding an election under Section 451.705 shall prepare the ballot to allow the voters of the subdivision to determine which portion of other sales taxes of that subdivision will be repealed if the voters approve joining the district, except that the following may not be reduced:

(1) the sales and use tax of the authority; and

(2) a sales and use tax of not more than one percent imposed by a municipality under Section 321.101(a) or 321.103(a), Tax Code.

(c) The sales and use tax authorized by this subchapter and the repeal of any local sales and use taxes under this section take effect on the first day of the second calendar quarter beginning after the date the comptroller receives a copy of the order canvassing the results of the election.

(d) At an election held under Subsection (b), the ballot shall be prepared to permit voting for or against substantially the following proposition: "Joining the Advanced Transportation District, authorizing a sales and use tax at the rate of _____ (rate imposed elsewhere in the district), and repealing _____ cents of the following sales and use taxes used for _____." Not later than the 45th day before the election date, the governing body of the political subdivision shall submit the ballot language to the authority for approval.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999. Amended by Acts 2005, 79th Leg., ch. 369, Sec. 2, eff. June 17, 2005.

Sec. 451.707. GOVERNANCE OF DISTRICT. (a) The board of the authority shall act as the governing body of the district and is responsible for the management, operation, and control of the district.

(b) The business of the district is conducted through its governing body and by the employees of the authority acting under the control and direction of the general manager of the authority.

(c) The district may enter into contracts with the authority or other private or public entities to conduct the business of the district.

(d) Except as otherwise provided by this subchapter, the district has the same powers of the authority that called the election creating the district as provided by Subchapters B, C, F, H, I, and K.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

Sec. 451.708. DISTRICT ASSETS AND RECORDKEEPING. (a) An asset of the district shall be held in the name of the authority.

(b) The authority shall keep separate books and accounting records for the funds, revenues, expenses, and other property of the district.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

Sec. 451.709. NATURE OF DISTRICT. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

Sec. 451.710. ANNEXATION OF TERRITORY BY MUNICIPALITY. On annexation by a municipality that is in the district, territory that is not in the district becomes part of the district.

Added by Acts 1999, 76th Leg., ch. 155, Sec. 1, eff. May 21, 1999.

SUBCHAPTER P. LOCAL CONTROL OF PEACE OFFICER EMPLOYMENT MATTERS IN CERTAIN AUTHORITIES

Sec. 451.751. APPLICABILITY. This subchapter applies only to an authority in which the principal municipality has a population of more than 1.5 million.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.752. DEFINITIONS. In this subchapter:

(1) "Association" means an organization in which peace officers employed by the authority participate and that exists for the purpose, wholly or partly, of dealing with the authority concerning grievances, labor disputes, wages, rates of pay, hours of work, or conditions of work affecting peace officers.

(2) "Public employer" means an authority that is required to establish the wages, salaries, rates of pay, hours of work, working conditions, and other terms and conditions of employment of peace officers employed by the authority.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.753. GENERAL PROVISIONS RELATING TO AGREEMENTS, RECOGNITION, AND STRIKES. (a) An authority may not be denied local control over the wages, salaries, rates of pay, hours of work, or other terms and conditions of employment to the extent the public employer and the association recognized as the sole and exclusive bargaining agent under Section 451.754 agree as provided by this subchapter. Applicable statutes and applicable local rules and regulations apply to an issue not governed by the agreement.

(b) An agreement under this subchapter must be written.

(c) This subchapter does not require a public employer or a recognized association to meet and confer on any issue or reach an agreement.

(d) A public employer and the recognized association may meet and confer only if the association does not advocate an illegal strike by public employees.

(e) A peace officer of an authority may not engage in a strike or organized work stoppage against this state or a political subdivision of this state. A peace officer who participates in a strike forfeits any civil service rights, reemployment rights, and other rights, benefits, or privileges the peace officer may have as a result of the person's employment or prior employment with the authority. This subsection does not affect the right of a person to cease work if the person is not acting in concert with others in an organized work stoppage.

(f) The public employer's chief executive officer or the chief executive officer's designee shall select a group of persons to represent the public employer as its sole and exclusive bargaining agent for issues related to the employment of peace officers by the authority.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.754. RECOGNITION OF PEACE OFFICER ASSOCIATION. (a) In an authority that chooses to meet and confer under this subchapter, the public employer shall recognize an association submitting a petition for recognition signed by a majority of the peace officers employed by the authority, excluding the head of the peace officer department of the authority and the assistant department heads in the rank or classification immediately below that of the department head, as the sole and exclusive bargaining agent for all of the peace officers employed by the authority, excluding the department head and assistant department heads, until recognition of the association is withdrawn by a majority of the peace officers eligible to sign a petition for recognition.

(b) Whether an association represents a majority of the covered peace officers shall be resolved by a fair election conducted according to procedures agreeable to the parties. If the parties are unable to agree on election procedures, either party may request the American Arbitration Association to conduct the election and to certify the results. Certification of the results of an election under this subsection resolves the question concerning representation. The association is liable for the expenses of the election, except that if two or more associations seeking recognition as the bargaining agent submit petitions signed by a majority of the peace officers eligible to sign the petition, the associations shall share equally the costs of the election.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.755. OPEN RECORDS. (a) A proposed agreement and a document prepared and used by the authority in connection with a proposed agreement are available to the public under Chapter 552, Government Code, only after the agreement is ratified by the governing body of the authority.

(b) This section does not affect the application of Subchapter C, Chapter 552, Government Code, to a document prepared and used by the authority in connection with the agreement.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.756. RATIFICATION AND ENFORCEABILITY OF AGREEMENT. (a) An agreement under this subchapter is enforceable and binding on the public employer, the recognized association, and the peace officers covered by the agreement only if:

(1) the authority's governing body ratified the agreement by a majority vote; and

(2) the recognized association ratified the agreement by conducting a secret ballot election at which only the peace officers of the authority in the association were eligible to vote, and a majority of the votes cast at the election favored ratifying the agreement.

(b) An agreement ratified as described by Subsection (a) may establish a procedure by which the parties agree to resolve disputes related to a right, duty, or obligation provided by the agreement, including binding arbitration on a question involving interpretation of the agreement.

(c) A state district court of a judicial district in which the majority of the territory within the corporate limits of the principal municipality in the authority is located has jurisdiction to hear and resolve a dispute under the ratified agreement on the application of a party to the agreement aggrieved by an action or omission of the other party when the action or omission is related to a right, duty, or obligation provided by the agreement. The court may issue proper restraining orders, temporary and permanent injunctions, or any other writ, order, or process, including contempt orders, that are appropriate to enforcing the agreement.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.757. AGREEMENT SUPERSEDES CONFLICTING PROVISIONS. (a) A written agreement ratified under this subchapter preempts, during the term of the agreement and to the extent of any conflict, all contrary state statutes, local ordinances, executive orders, civil service provisions, or rules adopted by the state, by the authority or another political subdivision, or by a division or agent of the authority or other political subdivision, such as a personnel board or a civil service commission.

(b) An agreement ratified under this subchapter may not interfere with the right of a member of a bargaining unit to pursue allegations of discrimination based on race, creed, color, national origin, religion, age, sex, or disability with the Commission on Human Rights or the federal Equal Employment Opportunity Commission or to pursue affirmative action litigation.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

Sec. 451.758. ELECTION TO REPEAL AGREEMENT. (a) Not later than the 60th day after the date an agreement is ratified by the public employer and the association, a petition signed by a number of registered voters who reside in the authority service area equal to 10 percent of the votes cast at the most recent general election in the county in which a majority of the territory within the corporate limits of the principal municipality in the authority is located may be presented to the county clerk of that county calling for the repeal of the agreement.

(b) If a petition is presented to the county clerk under Subsection (a), the authority shall:

(1) repeal the agreement; or

(2) certify that it is not repealing the agreement to the commissioners court of the county described by Subsection (a), which shall then call an election in the county to determine whether to repeal the agreement.

(c) An election called under Subsection (b)(2) may be held as part of the next regularly scheduled general election or at a special election called by the commissioners court for that purpose. The ballot shall be printed to provide for voting for or against the proposition: "Repeal the agreement ratified on _____ (date agreement was ratified) by the _____ (name of authority)

and the peace officers employed by the authority concerning wages, salaries, rates of pay, hours of work, and other terms of employment."

(d) If a majority of the votes cast at the election favor the repeal of the agreement, the agreement is void.

Added by Acts 2001, 77th Leg., ch. 186, Sec. 1, eff. Sept. 1, 2001.

SUBCHAPTER Q. HYBRID DELIVERY SYSTEM FOR CERTAIN CONSTRUCTION PROJECTS

Sec. 451.801. DEFINITIONS.

Text of section effective until August 31, 2015

In this subchapter:

(1) "Civil works components" means:
(A) underground utilities;
(B) paving;
(C) drainage;
(D) structures, including elevated platforms and bridges;
(E) components related to vehicular traffic;
(F) primary power distribution systems;
(G) transfer stations, depots, and other architectural features, including related mechanical, electrical, and plumbing systems; and
(H) all other aspects of a project not defined as system components.

(2) "System components" means the components of a transit system that are related directly to system operations, including rolling stock, tracks, guideway systems, and special signal and communications systems.

(3) "Design development" means drawings and other documents that are:
(A) approximately 30 percent complete; and
(B) sufficient to fix and describe the size and character of the project as to civil work, architectural systems, structural systems, mechanical and electrical systems, materials, equipment, and technology, including schematic layouts and conceptual design criteria.

(4) "Facility" means a single transit project:
(A) with a proposed cost of more than \$100 million; or
(B) as identified in a referendum approved by the voters.

(5) "Facility provider" means a partnership, corporation, joint venture, consortium, special purchase company, or other legal entity or team responsible for:
(A) providing and installing the system components for a facility; and
(B) constructing the associated civil works components.

(6) "Hybrid delivery system" means the alternative procurement procedure provided by this subchapter.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.802. APPLICABILITY.

Text of section effective until August 31, 2015

This subchapter applies only to an authority in which the principal municipality has a population of more than 1.2 million.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.803. USE PERMITTED.

Text of section effective until August 31, 2015

Notwithstanding any other law, an authority may use a hybrid delivery system for construction of a facility as provided by this subchapter.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.804. SELECTION OF ENGINEER OR TEAM.

Text of section effective until August 31, 2015

(a) An authority shall select an engineer or an engineering and architecture team for the design of the civil works components of the facility. The authority shall select an engineer or team in accordance with Section 2254.004, Government Code.

(b) A selected engineer or team shall comply with Chapter 1001, Occupations Code.

(c) The authority shall enter into a contract with the selected engineer or team to provide planning and design development services and an estimate of final design costs. The contract may also include construction management.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.805. REQUEST FOR PROPOSALS.

Text of section effective until August 31, 2015

After the completion of design development documents by the engineer or team, the authority shall issue requests for proposals from facility providers. The request for proposals shall include general information on the project site, project scope, budget, schedule, system criteria, selection criteria, and any other information that may assist potential facility providers in submitting proposals for the project.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.806. EVALUATION OF PROPOSALS.

Text of section effective until August 31, 2015

(a) For each proposal submitted by a facility provider in response to a request for proposals, the authority shall evaluate:

(1) the provider's experience and qualifications;
(2) the provider's technical competence and capability to perform;

(3) the provider's past performance, including past performance of members of the provider's team;

(4) proposed technology;
(5) feasibility of implementing the project as proposed;

(6) costing methodology; and
(7) other information submitted on the basis of the selection criteria stated in the request for proposals.

(b) The authority shall rank two to four facility providers that best meet the selection criteria.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.807. SELECTION OF FACILITY PROVIDER.

Text of section effective until August 31, 2015

(a) The authority shall select the facility provider that submits the proposal that offers the best value for the authority on the basis of the published selection criteria and price.

(b) The authority shall first attempt to negotiate a contract with the first-ranked provider in the order of the ranking established under Section 451.806(b). The authority and the engineer or team selected under Section 451.804 may discuss with the selected provider options for a scope or time modification and any price change associated with the modification before finalizing a contract with the selected provider. If the authority is unable to negotiate a contract with the selected provider, the authority shall end negotiations with the selected provider in writing and proceed to negotiate a contract with the next provider in the order of the ranking established under Section 451.806(b) until a contract is entered into or all proposals are rejected.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.808. FINAL DESIGN CONTRACTS.

Text of section effective until August 31, 2015

(a) In consultation with the selected facility provider, the authority shall negotiate with the engineer or team selected under Section 451.804 on the:

(1) scope of work and fees associated with final design of the civil works components; and

(2) integration of system components and civil works components of the facility.

(b) A contract for final design shall be incorporated into the authority's contract with the selected facility provider. Any subsequent changes to a contract with the engineer or team must be approved by the facility provider and the authority.

(c) In a contract with a selected facility provider, the authority shall provide a mechanism under which issues of design quality, quality assurance, code compliance, value engineering, or life cycle costing may be communicated directly by the engineer or team to the facility provider and the authority with the intent of seeking the authority's approval of proposed action.

(d) The selected facility provider's oversight of the engineer or team is limited to:

(1) design management;
(2) coordination of the civil works components;
(3) integration of the design of system components into the civil works; and

(4) the acceptance of items listed under Subdivisions (1)-(3) with regard to the facility provider's assumption of responsibility for contract compliance, performance warranties and guarantees, and other risk-related items as stipulated in the

contract between the selected facility provider and the authority.

(e) Fees associated with the items listed in Subsection (d) may not exceed eight percent of final design fees unless otherwise amended by the engineer or team through allocation of a portion of the engineer or team fee to the selected facility provider for specialty design assistance.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.809. USE OF OTHER PROFESSIONAL SERVICES.

Text of section effective until August 31, 2015

(a) If the authority performs periodic audits of its construction materials, the authority, independent of the selected facility provider, shall contract for the inspection and testing of construction materials and other verification testing services necessary for the acceptance of the facility by the authority.

(b) A contract under Subsection (a) does not alleviate the selected facility provider's responsibility to provide the services described by Subsection (a) under a contract entered into under this subchapter.

(c) A contract described by Subsection (a) and any additional contract for engineering or architecture services entered into by the selected facility provider for the design and construction of the facility must be entered into in accordance with Section 2254.004, Government Code.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.810. CONSTRUCTION WORK SUBCONTRACTED.

Text of section effective until August 31, 2015

(a) The authority may require that the selected facility provider publicly advertise for and receive bids or proposals from trade contractors or subcontractors for the construction of civil works components of the facility.

(b) The selected facility provider may submit a bid or proposal for the work described in Subsection (a) in the same manner as other trade contractors or subcontractors.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.811. LOCAL PREFERENCE.

Text of section effective until August 31, 2015

To the maximum extent permitted by law, the authority shall use vendors and providers of services with an established office in the principal municipality.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.

Sec. 451.812. EXPIRATION.

Text of section effective until August 31, 2015

This subchapter expires on August 31, 2015.

Added by Acts 2005, 79th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 2005.