

CHAPTER 927

H.B. No. 1986

An Act relating to the construction of roads and highways in the State of Texas.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. The Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes) is amended by adding Section 16A to read as follows:

Sec. 16A. CONSTRUCTION OF PROJECTS. Without limiting the powers conferred by Section 16 of this Act, the corporation shall have all powers necessary to construct or improve transportation facilities and systems (projects) approved by the commission. Specifically, these powers shall include, but not be limited to, the following:

(1) the corporation may enter into contracts with the commission pursuant to which the corporation may be obligated to construct and/or improve projects designated by the commission

and sell the projects or improvements to the commission on such terms as may be set forth in the contracts;

(2) the corporation may enter into contracts with counties, home-rule cities, county road districts created under authority of the County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes), and road utility districts created under authority of the Road Utility District Act, Chapter 13, Acts of the 68th Legislature, 2nd Called Session (Article 6674r-1, Vernon's Texas Civil Statutes), for purposes of jointly paying the costs of projects designated by the commission and pursuant to which the corporation may be obligated to design, construct, and/or improve the projects on such terms and conditions as may be set forth in the contracts. Any county or home-rule city may contract with a corporation for the purposes set forth above;

(3) the corporation may issue bonds and notes to carry out its corporate purpose. Such bonds and notes may be issued under any power or authority available to the corporation, including, but not limited to, the Bond Procedures Act of 1981, as now or hereafter amended (Article 717k-6, Vernon's Texas Civil Statutes). Such bonds or notes shall state on their face that they are not obligations of the State of Texas;

(4) the corporation shall submit its bonds or notes and any contract supporting the issuance of such bonds or notes to the attorney general of the State of Texas for examination. If the attorney general finds that such bonds, notes, and/or contracts are authorized under the terms of this Act, then the attorney general shall approve them, and they shall be incontestable for any cause;

(5) the corporation may enter into contracts with the commission pursuant to which the commission may be obligated to supervise the construction of and/or provide construction management services for any project being constructed by the corporation on such terms and conditions as may be set forth in the contracts;

(6) the projects to be constructed and/or improved pursuant to the powers conferred by this section may be located on land or rights-of-way acquired by the corporation or on land or rights-of-way provided to the corporation for such purpose by the commission or any county, county road district, road utility district, municipality, or any political subdivision of the State of Texas; and

(7) the corporation may only plan, design, acquire, construct, improve, and extend, or maintain those projects which are intended by the commission to become part of the federal or state highway system, and may not be engaged in such activities on any project which is intended to become a county road or city street or to be owned by a county road district or by a road utility district.

SECTION 2. Chapter 1, Title 116, Revised Statutes, is amended by adding Article 6674r-2 to read as follows:

Art. 6674r-2. CONTRACTS WITH TRANSPORTATION CORPORATIONS

Sec. 1. The State Highway and Public Transportation Commission may enter into contracts with transportation corporations created by the commission under authority of the Texas Transportation Corporation Act (Article 1528i, Vernon's Texas Civil Statutes) for purposes of acquiring highways to be constructed by the transportation corporations.

Sec. 2. A contract entered into under authority of this article shall not extend for a period of more than six years from the date of execution, and shall provide that the highway to be acquired pursuant to the contract shall be free of debts, liens, and encumbrances at the time of acquisition.

Sec. 3. Before entering into a contract to acquire a highway to be constructed by a transportation corporation, the commission shall first determine that it will have sufficient funds available in the year of acquisition to meet its financial obligations under the contract. Payment of any obligation contained in a contract entered into under authority of this article shall be subject to an appropriation by the legislature for such purpose in the year the obligation falls due, and the contract shall state that payment is contingent upon an appropriation by the legislature in the year payment is due.

Sec. 4. The commission shall determine the terms and conditions of any contract entered into under authority of this article. Without limiting the other terms and conditions that may be imposed in such a contract, any such contract shall provide that the highway to be constructed by the transportation corporation meet commission minimum design criteria, that construction contracts be awarded through competitive bidding to the low bidder, that priority of construction be assigned to particular segments of the highway, that particular segments of the highway be opened to the public upon completion of construction under right of entry even though consideration has not yet been paid by the commission, that the highway right-of-way be fully landscaped prior to acquisition by the commission, and may contain such other covenants as may be determined by the commission to be desirable.

Sec. 5. The commission may enter into contracts with transportation corporations constructing highways on behalf of the commission to supervise construction and provide construction management services for the transportation corporation. The transportation corporation shall pay the commission for such supervision and management services at the time such services are rendered.

Sec. 6. The commission shall have such other powers as may be reasonable and necessary to enable it to contract with transportation corporations for the construction of highways as provided in this article.

SECTION 3. The County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes) is amended by adding Section 4.447 to read as follows:

Sec. 4.447. USE OF BOND PROCEEDS TO JOINTLY PAY COSTS OF PROJECT. A county or a political subdivision or a road district of a county may enter into contracts with transportation corporations created by the State Highway and Public Transportation Commission under authority of the Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes) for purposes of jointly paying the costs of a project designated by the commission and pursuant to which the transportation corporation may be obligated to design, construct, and/or improve the projects on such terms and conditions as may be set forth in the contracts. Payments required to be made under such a contract may be made out of bond proceeds, and a county or political subdivision or a road district of a county may issue bonds for the purpose of paying all or any part of the costs of a particular project.

SECTION 4. Chapter 13, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 6674r-1, Vernon's Texas Civil Statutes), also known as the Road Utility District Act, is amended by adding Section 34A to read as follows:

Sec. 34A. CONTRACT WITH TRANSPORTATION CORPORATIONS. A district may enter into contracts with transportation corporations created by the State Highway and Public Transportation Commission under authority of the Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes) for purposes of jointly paying the costs of a project designated by the commission and pursuant to which the transportation corporation may be obligated to design, construct, and/or improve the projects on such terms and conditions as may be set forth in the contracts. Payments required to be made under such a contract may be made out of bond proceeds, and a district may issue bonds for the purpose of paying all or any part of the costs of a particular project.

SECTION 5. As used in this Act construction shall be deemed to include construction and/or improvement including landscaping and highway shall mean a highway or improvements thereto.

SECTION 6. If any provisions of this Act should be invalid, such fact shall not affect the validity of any other provisions of this Act, and the legislature hereby declares that it would have enacted the valid provisions of this Act notwithstanding the invalidity of any other provision or provisions hereof.

SECTION 7. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 20, 1985, by a non-record vote; House concurred in Senate amendments to H.B. No. 1986 on May 26, 1985, by a non-record vote; passed by the Senate, with amendments, on May 25, 1985, by the following vote: Yeas 31, Nays 0.

Filed: June 15, 1985, without signature.

Effective: August 26, 1985