

**CHAPTER 405**

**H.B. No. 2236**

An Act relating to the establishment, powers, duties, administration, financing, and dissolution of subregional transportation authorities in certain cities.

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

**SECTION 1.** Subsections (b), (c), (e), (f), (g), (h), (j), and (k), Section 24, Chapter 683, Acts of the 66th Legislature, Regular Session, 1979 (Article 1118y, Vernon's Texas Civil Statutes), are amended to read as follows:

*(b)(1) This section applies to the creation, powers, duties, administration, and dissolution of subregional transportation authorities only in contiguous cities.*

*(2) A contiguous city may create a subregional transportation authority in accordance with this section as an alternative to participation in a regional transportation authority or in the event:*

*(A) the creation of a regional transportation authority in which the city could participate is not confirmed;*

- (B) a regional transportation authority in which the city could participate is dissolved; or  
 (C) the city withdraws from a regional transportation authority.

(3) If, while a subregional transportation authority created under this section is in existence, proceedings to create a regional transportation authority are begun, the territory included in the subregional transportation authority is excluded from the proceedings and the contiguous city need not comply with Subsection (c) of this section. Nothing contained in this Act shall prohibit any such contiguous city from establishing a subregional transportation authority.

(c)(1) Within 60 days after initiation of the process provided in Section 3 of this Act by a principal city or a county of the principal city, a ~~[or within 60 days after a confirmation election or any election to dissolve the authority, in which a majority of the votes cast in such contiguous city either fail to confirm the creation of the authority or approve the dissolving of the authority, any such]~~ contiguous city may elect by resolution of its governing body not to participate in the regional transportation authority established by a principal city or county of a principal city.

(2) In the event such contiguous city shall elect not to participate in the regional transportation authority provided in this Act, its boundaries shall be excluded from the regional transportation authority proposed or created by the principal city or county of the principal city and shall not be included in the initiating process of said principal city or county of the said principal city as provided in Section 4 of this Act and the confirmation procedure of Section 9 of this Act.

(e) The subregional transportation authorities created in any two or more contiguous cities may establish a joint subregional transportation authority by contract with terms approved by the governing bodies of the cities. A subregional transportation authority or joint subregional transportation authorities may enter into contracts, with terms approved by the governing bodies of the participating cities, with a regional transportation authority.

(f) Except as it may conflict with the intent or provisions of this section ~~[Section 24]~~, the initiating procedure for a subregional transportation authority shall be the same as that provided in Section 4 of this Act. Where the word "principal city" is used therein, it shall mean "contiguous city" and where the word "authority" is used therein, it shall mean the "subregional transportation authority."

(g)(1) ~~Subject to the powers reserved to the governing body of the contiguous city, the [The]~~ management, control, and operation of a subregional transportation authority and its property shall be vested in an executive committee comprised of five members selected by the governing body of the contiguous city. ~~The members of the executive committee serve two-year terms except for the initial appointment. Initially, two members shall be appointed for a term of one year, and three members shall be appointed for a term of two years. Thereafter all members shall serve staggered terms of two years. Members of the executive committee may be removed at any time, with or without cause, by the governing body of the contiguous city. The governing body of the contiguous city may fill a vacancy on the executive committee by appointment.~~

(2) The members of the executive committee shall elect from among their number a chairman, a vice-chairman, ~~[and]~~ a secretary, and other officers the members determine are appropriate. The executive committee may appoint such assistant secretaries, either members or nonmembers of the executive committee, as it deems necessary. The secretary and assistant secretary shall, in addition to keeping the permanent records of all proceedings and transactions of the subregional transportation authority, perform such other duties as may be assigned to them by the executive committee. No member of the executive committee or officer of the subregional transportation authority shall be pecuniarily interested or benefited directly or indirectly in any contract or agreement to which the authority is a party.

(3) The executive committee shall hold at least one regular meeting during each month for the purpose of transacting the business of the subregional transportation authority. ~~The [Upon written notice, the]~~ chairman may call special meetings as may be necessary. The executive committee, when organized, shall by resolution set the time, place, and day of the regular meetings and shall adopt rules, regulations, and bylaws as it may deem necessary for the conduct of its official meetings. ~~Three [Four]~~ members shall constitute a quorum of the executive committee for the purpose of conducting its business and exercising its powers, and action may be taken by the subregional transportation authority upon a vote of a majority of the executive committee members present unless the bylaws require a larger number for a particular action.

(4) ~~Not later than the 60th day before the first day of the authority's fiscal year, the executive committee shall prepare and submit to the governing body of the contiguous city a proposed budget for the fiscal year. Such budget shall be subject to approval by such governing body. The approved budget is the budget for the subregional transportation authority for the fiscal year. To be valid, any change in the budget that is made during a fiscal year must also be approved by the governing body. [The executive committee shall receive recommendations for the annual budget]~~

from the governing body of the contiguous city and shall obtain approval of the final annual budget from said contiguous city.]

(h)(1) After the interim executive committee has organized, *the committee shall develop* [developed] a proposed service plan [;] and *determine* [determined] the proposed rate of tax that it desires to levy. *The executive committee shall submit the proposed plan and proposed rate of tax to the governing body of the contiguous city. The governing body may change the proposed plan and/or proposed rate of tax or approve the plan and/or tax as submitted. After approving the proposed or changed plan and tax, the governing body[; it] shall call a confirmation election in accordance with [the provisions of] this section. If the creation of a subregional transportation authority is confirmed at the election, the service plan may be changed only with the approval of the governing body of the contiguous city.*

(2) When the governing body of the contiguous city [executive committee] orders a confirmation election, it shall submit to the qualified voters within the subregional transportation authority the following proposition:

"Shall the creation of (name of authority) be confirmed and shall the levy of a sales tax at a rate not to exceed \_\_\_\_\_ percent [the proposed tax] be authorized?"

(3) Except as otherwise provided in this Act, notice of the election shall be given in accordance with the general election laws. The notice of the election shall include a description of the nature and rate of the proposed tax. A copy of the notice of the election and any other election held pursuant to this Act shall be furnished to the State Highway [Highways] and Public Transportation Commission.

(4) Immediately after the election, the presiding judge of each election precinct [within the contiguous city] shall return the results to the governing body of the contiguous city that ordered the election [executive committee], which shall canvass the returns and declare the results of the election and adopt an order declaring that the creation of the subregional transportation authority has been confirmed or disapproved, as the case may be.

(5) If the votes cast are such that the subregional transportation authority ceases to exist in its entirety, the governing body of the contiguous city that ordered the election [executive committee] shall enter an order so declaring and file a certified copy of the order with the State Highway [Highways] and Public Transportation Commission, and the authority shall be dissolved.

(6) The cost of the confirmation election shall be paid by the contiguous city [creating entity].

(7) If the election results in the confirmation of a subregional transportation authority, the authority and the governing body of the contiguous city shall, within the limits confirmed, be authorized to function in accordance with the terms of this Act, and the executive committee may levy and collect a local sales and use tax in accordance with Section 16 of this Act at a rate approved by the governing body of the contiguous city. *The rate of the sales and use tax may not exceed the rate of tax approved by the voters at the election confirming the creation of the subregional transportation authority [the proposed tax within those limits].*

(8) If the continued existence of a subregional transportation authority is not confirmed by election within three years after the effective date of the resolution(s) or order(s) initiating the process to create the subregional transportation authority, the subregional transportation authority ceases to exist on the expiration of the three years.

(9) *The [For a period of one year following a confirmation election, the] governing body of any contiguous city, at any time after confirmation of a subregional transportation authority, may on its own volition or, for a period of one year following the date of a confirmation election shall, upon receipt of a petition containing signatures of at least 20 percent of the registered voters within the contiguous city call an election and offer the following proposition: "Shall the (name of authority) be continued [dissolved] in the city of (name of city)?" Should the majority of voters voting in the election vote against the proposition and thereby to dissolve the subregional transportation authority within the contiguous city, the subregional transportation authority shall cease to exist within the city as of 12 midnight on the date of the canvass of the election and all financial obligations of that unit of election will cease to accrue at that time. Taxes [The financial obligation shall be computed on a per capita basis for the entire year and taxes] will continue to be collected until such time as all financial obligations of the subregional transportation authority [contiguous city] are paid, at which time the taxes collected to support the subregional transportation authority shall cease within the contiguous city.*

(j) *Except as otherwise provided by this section, Sections 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23 shall be applicable to the subregional transportation authorities. Whenever the term "authority" is used, it shall mean "subregional transportation authority." A bond, note, or other document of indebtedness issued by the subregional transportation authority under Section 15 of this Act or another law of this state shall be issued in the name of the subregional transportation*

*authority and is solely the obligation of the subregional transportation authority. The subregional transportation authority may not issue a bond, note, or other document of indebtedness unless the bond, note, or document has been approved by the governing body of the contiguous city.*

(k)(1) If a sponsoring contiguous city [or town which is a part of an authority] lawfully annexes additional territory [which is not a part of the subregional transportation authority], the annexed territory becomes a part of the subregional transportation authority.

(2) At the time territory is added to a subregional transportation authority under the provisions of this section, any tax which the *executive committee* [board] of the subregional transportation authority has already been authorized to levy applies to the added territory, beginning on the effective date of the annexation.

**SECTION 2.** Any interim subregional transportation authority created by a contiguous city prior to the effective date of the amendments contained in this Act and which has not held a confirmation election may continue in accordance with the amendments contained in this Act and the contiguous city and the interim authority and any resulting permanent subregional transportation authority shall have all of the powers and duties contained in this Act from and after its effective date.

**SECTION 3.** 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 April 24, 1985, by the following vote: Yeas 137, Nays 0, 1 present, not voting; House concurred in Senate amendments to H.B. No. 2236 on May 17, 1985, by the following vote: Yeas 127, Nays 0, 1 present, not voting; passed by the Senate, with amendments, on May 15, 1985, by the following vote: Yeas 31, Nays 0.

Approved: June 10, 1985

Effective: Immediately