

## CHAPTER 743

## H.B. No. 2800

## AN ACT

relating to the powers and duties of certain regional transportation authorities.

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

SECTION 1. Sections 6(b), (c), (f), (g), and (h), Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) *An elected officer of the state or a political subdivision of the state who is not prohibited by the Texas Constitution from serving on the board is eligible, as an additional duty of office, to serve on the board. An elected officer who serves as a member is not entitled to receive compensation for serving as a member but is entitled to reimbursement for reasonable expenses incurred in performing duties as a member of the board [The commissioners court of the county of the principal city shall appoint one member].*

(c) The [remaining] members of the subregional board shall be apportioned according to the ratio which the population of each incorporated city bears to the total population of the territory included within the subregion. Any combination of cities *may aggregate their [aggregating a total] population to [of 60,000 shall] be entitled to one member on the [interim] subregional board. A city entitled to one or more members that has a population that would entitle it to a fraction of another member may aggregate its population with another city to appoint another member. Cities aggregating their population to make an appointment shall agree on a method of making the appointment. To serve on the board, a person must be a resident of the city making the appointment. A city making more than one appointment shall, to the greatest extent practicable, select persons who accurately reflect the racial and ethnic composition of that city. A city may not aggregate its population with another city for the purpose of minimizing the representation on the board of a racial or ethnic minority.*

[Following the confirmation election, any combination of cities who have voted confirmation of the authority may aggregate a population of at least 60,000 for the purpose of appointing one member to the initial subregional board. In establishing the interim subregional board, if the results of the 1980 federal census are unavailable, the most recent population estimates of the appropriate metropolitan planning organization will be used.]

(f) Every five years as of the first day of September following the date the census data or population estimates become available, or when a city or an unincorporated area withdraws from or joins in the authority, the board shall be restructured pursuant to *Subsection* [Subsections] (c) [and (h)] of this section, if warranted by the withdrawal or addition of cities or unincorporated areas, or by population changes or changes in combinations established pursuant to Subsection (e) of this section.

(g) The members of the board [shall] serve *staggered terms of two years with eight terms beginning July 1 of odd-numbered years and seven terms beginning July 1 of even-numbered years. The [at the pleasure of the governing body of each appointing governmental entity, except that the] governing body of a principal city may not by rule, order, or ordinance limit the number of terms that members of the board may serve. The term of a board member does not end because of a reapportionment under Subsection (f) of this section, and the board shall develop a plan for filling vacancies following a reapportionment to ensure that each city maintains the representation to which it is entitled. [The governing body shall confirm its board appointment to begin terms on the first day of September in every odd-numbered year.]*

(h) The total number of members comprising the board is 15. [shall be governed by the total population of the territory included in the subregion. Specifically, the board size shall be determined by the following formula:

[Total Population in Subregion	Total Members on Subregional Board
[Less than 1,000,000	15
[1,000,000 to 1,400,000	21
[1,400,000 plus	25]

SECTION 2. Section 10, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended by adding Subsections (v), (w), and (x) to read as follows:

(v) *An agreement made before May 1, 1993, between the authority and cities included in the area of the authority for the distribution of the authority's revenues is validated as of the date the agreement was made. The agreement may not be held invalid because it was not made in accordance with law. The authority may enter one or more agreements on or after that date with any city included in the area of the authority for the distribution of the authority's revenues.*

(w) *The board of an authority in a subregion having a principal city with a population in excess of 800,000 may create committees for any purpose for which a vote of the board is not required. The committee may consist of members of the subregional board and members of the general public, but the number of public members on a committee may not exceed the number of members of the subregional board.*

(x) *The board of an authority in a subregion having a principal city with a population in excess of 800,000 may not, except by a two-thirds vote of the board:*

- (1) *issue any debt allowed by law;*
- (2) *enter a lease as lessee or financing agreement as obligor if the lease or agreement is secured by the other assets of the authority;*
- (3) *effect a major change in a service plan as defined by Section 10A of this Act;*
- (4) *approve the financial plan for the authority; or*
- (5) *enter an agreement under Subsection (v) of this section on or after May 1, 1993.*

SECTION 3. Section 15, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended by adding Subsection (i) to read as follows:

(i) *An authority in a subregion having a population in excess of 800,000 may not enter a lease or financing agreement secured wholly or partially by the assets of the authority if the duration of the lease or financing agreement is longer than five years unless the lease or agreement is approved by the voters of the authority in the manner provided for the issuance of bonds and notes under Subsection (h) of this section.*

SECTION 4. Section 18(a), Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The responsibility for the operation and control of the properties belonging to an authority shall be vested in its executive committee. The executive committee may:

(1) appoint and prescribe compensation for a *chief executive officer whom the board may designate as an executive director or a general manager and who shall administer the daily operations of the authority and employ persons, firms, partnerships, or corporations deemed necessary by the executive committee for the conduct of the affairs of the authority, including but not limited to bookkeepers, engineers, financial advisers, and operating or management companies and in accordance with executive committee policy, prescribe the duties, tenure, and compensation of each; all employees may be removed by the chief executive officer in accordance with executive committee policy* [~~general manager~~];

(2) appoint auditors and attorneys and prescribe the duties, tenure, and compensation of each;

(3) become a subscriber under the Texas workers' compensation act with any old-line legal-reserve insurance company authorized to write policies in the State of Texas;

(4) adopt a seal for the authority;

(5) invest the funds of the authority in the following securities and obligations, to-wit:

(A) direct and indirect obligations of the United States of America and of its agencies and instrumentalities, including treasury receipts evidencing ownership of future interest and principal payments thereon. Agencies and instrumentalities include, but are not limited to Federal Home Loan Banks, Federal Farm Credit Banks, Federal Home Loan Mortgage Association, Federal National Mortgage Association, Government National Mortgage Association, Student Loan Marketing Association, and International Bank for Reconstruction and Development;

(B) any obligations of any state, or the agencies thereof, or of the counties, cities, and other political subdivisions of any state, the payments of principal and interest on which are payable from taxes or revenues, either or both, and having a then current rating of no less than A or its equivalent by a nationally recognized rating firm;

(C) direct repurchase agreements and reverse repurchase agreements with defined termination dates secured by obligations defined in Subdivisions (A) and (B) above such agreements to be executed with banks or trust companies organized under the laws of Texas, any national banking association, or any government bond dealer reporting to and recognized as a primary dealer by the Federal Reserve Bank of New York;

(D) the common trust funds of any bank and any money market mutual funds that consist solely of assets described in Subdivisions (A) and (B) above;

(E) certificates of deposit of state and national banks guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations described in Subdivisions (A) and (B) above with a market value of no less than the principal amount of the certificates;

(F) commercial paper rated either A1 or P1 by a nationally recognized rating firm;

(G) foreign currencies and currency-swap agreements to the extent necessary to pay nondollar denominated obligations; and

(H) such other investments as may be authorized, from time to time, by resolution adopted by the executive committee of the authority.

The executive committee by resolution may provide that an authorized representative of the authority may invest and reinvest the funds of the authority and provide for money to be withdrawn from the appropriate accounts of the authority for investments on such terms as the executive committee considers advisable. An authority may by contract approved by the executive committee enter into investment agreements pertaining to any of the foregoing, and may, additionally, enter into interest-rate swap and similar agreements with other parties upon such terms as the executive committee may deem appropriate.

(6) fix the fiscal year for the authority;

(7) establish a complete system of accounts for the authority and each year shall have prepared an audit of its affairs by an independent certified public accountant or a firm of independent certified public accountants which shall be open to public inspection; and

(8) designate one or more banks to serve as the depository for the funds of the authority.

SECTION 5. Section 20, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended by adding Subsection (j) to read as follows:

*(j) An authority in a subregion having a principal city with a population in excess of 800,000 shall at least once every five years evaluate each distinct transportation service the authority provides that generates revenue, including light rail, bus, van, taxi, and other public transportation services, and determine whether the authority shall solicit competitive sealed bids from other entities to provide these transportation services.*

SECTION 6. (a) The terms of all members of a subregional board created under Section 6, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), end on the effective date of this section. The governing body of each municipality entitled to make an appointment under Section 6, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), as amended by this Act, shall make the appointment as soon as possible after the effective date of this section. Until two-thirds of the members of the subregional board as reconstituted by this section have been appointed and have qualified, the members serving on the effective date of this section may continue to exercise the powers and perform the duties of the subregional board.

(b) After the appointment of the initial board under this Act, the members shall draw lots to determine their initial terms. Eight members shall serve for a term expiring July 1, 1995. Seven members shall serve for a term expiring July 1, 1994.

SECTION 7. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately.

(b) Sections 1 and 6 of this Act take effect July 1, 1993.

SECTION 8. 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 according to its terms, and it is so enacted.

Passed by the House on April 30, 1993: Yeas 128, Nays 0, 2 present, not voting; passed by the Senate on May 22, 1993: Yeas 31, Nays 0.

Approved June 16, 1993.

Effective June 16, 1993, except §§ 1 and 6 effective July 1, 1993.