

CHAPTER 402

H.B. No. 1364

AN ACT

providing for agreements in aid of turnpike projects between the State Department of Highways and Public Transportation or counties, political subdivisions (including cities), or local governmental entities and the Texas Turnpike Authority, and the issuance of bonds.

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

SECTION 1. The legislature hereby finds that it is a benefit to the state and its inhabitants to encourage the construction, improvement, maintenance, and operation of turnpike projects by the Texas Turnpike Authority and in connection therewith to authorize joint venture agreements between the State Department of Highways and Public Transportation and the authority and agreements between local governmental entities and the authority.

SECTION 2. In this Act the following words shall be defined:

- (1) "Authority" shall mean the Texas Turnpike Authority or any successor thereto.
- (2) "Bonds" shall mean and include all bonds, certificates, notes, and other obligations authorized to be issued by any issuer by any statute, city home-rule charter, or the Texas Constitution.
- (3) "Commission" shall mean the State Highway and Public Transportation Commission or any successor thereto.
- (4) "Cost" shall have the meaning described in Chapter 410, Acts of the 53rd Legislature, Regular Session, 1953 (Article 6674v, Vernon's Texas Civil Statutes).
- (5) "Department" shall mean the State Department of Highways and Public Transportation or any successor thereto.
- (6) "Local governmental entity" shall mean any county, political subdivision of a county, a number of adjoining counties, political subdivision of the state, defined district, town, village, or municipal corporation, and except for the purposes of Section 5 hereof, includes any nonprofit corporations, including but not limited to transportation corporations created under the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes).
- (7) "Turnpike projects" shall have the meaning described in Chapter 410, Acts of the 53rd Legislature, Regular Session, 1953 (Article 6674v, Vernon's Texas Civil Statutes).

SECTION 3. (a) Upon a finding by the commission that a project is immediately needed to relieve traffic congestion on existing state highways or such project, if constructed in the shortest possible time, will provide to the state a free highway more economically than if the department constructed such project, the commission on behalf of the department is authorized to enter into agreements with the authority, and the authority is authorized to enter into agreements with the department, for the purpose of joint ventures with respect to the sharing of costs of such project as a turnpike, toll road, or toll bridge to be owned and operated by the authority. Such agreements shall not exceed 40 years in term and may be payable from any money lawfully available to the department, and may be subject to legislative appropriation if the source of payment is intended to be derived from sources that require legislative appropriations. Such agreements may also specify the length of time that the applicable project will remain a toll facility, and the use of revenues therefrom, may provide for the use of revenues from any project for a project or projects that are extensions of such original project or extensions thereto or are part of an integrated system of turnpike projects, and shall provide that when the project is no longer a toll facility it will become a part of the state highway system.

(b) The authority is authorized to issue bonds payable from, in whole or in part, payments to be made pursuant to a contract.

SECTION 4. It is recognized that existing federal law permits federal funds to be used for that portion of costs of turnpike projects that are toll bridges and federal law

may hereafter permit federal funds to be used for all or any portion of the costs of turnpike projects. Accordingly, the department is, without limiting the generality of Section 3 hereof, authorized to use federal funds for any purpose described in this Act.

SECTION 5. Under authority of Subsection (b) of Article III, Section 52, of the Texas Constitution local governmental entities may, upon the required vote of the qualified voters, in addition to all other debts, issue bonds or enter into and make payments under agreements with the authority, not to exceed 40 years in term, in any amount not to exceed one-fourth of the assessed valuation of real property within such local governmental entity, except that the total indebtedness of any city or town shall never exceed the limits imposed by other provisions of the constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof, for the purposes of construction, maintenance, and operation of turnpike projects of the authority, or in aid thereof.

SECTION 6. Under authority of Subsection (c) of Article III, Section 52, of the Texas Constitution, any county is authorized to issue its bonds in an amount not to exceed one-fourth of the assessed valuation of the real property in the county for the construction, maintenance, and operation of all or any portion of turnpike projects of the authority, or in aid thereof, upon a vote of the majority of the qualified voters voting thereon. Such county may levy and collect taxes to pay interest on such bonds as it comes due and provide a sinking fund for the redemption of such bonds.

SECTION 7. Within any constitutional limitations and in addition to the powers granted in Sections 5 and 6 hereof, local governmental entities may issue bonds or enter into and make payments under agreements with the authority, not to exceed 40 years in term, and pledge revenues from any available source, including annual appropriations, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the purposes of construction, maintenance, and operation of any portion of turnpike projects of the authority.

SECTION 8. (a) This Act is cumulative of all laws affecting the issuance of bonds by local governmental entities, particularly, but not by way of limitation, provisions of Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes), the Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), and Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes), are hereby made applicable to and shall apply to all bonds issued to this Act, regardless of any classification of any such local governmental entities thereunder; provided, however, in the event of any conflict between such laws and this Act, the provisions of this Act shall prevail.

(b) Any election held as required by or to permit action pursuant to this Act shall be held generally in conformance with Chapter 1, Title 22, Vernon's Texas Civil Statutes, or other law applicable to the local governmental entity.

(c) This Act is cumulative of all laws affecting the commission, the department, and the local governmental entities, except that in the event any such law conflicts with this Act, the provisions of this Act shall prevail.

(d) This Act is cumulative of all laws affecting the authority, and the authority is authorized to enter into all agreements necessary or convenient to effectuate the purposes of this Act. Particularly, but not by way of limitation, the provisions of Chapter 410, Acts of the 53rd Legislature, Regular Session, 1953 (Article 6674v, Vernon's Texas Civil Statutes), Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes), the Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), and Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes), are hereby made applicable to the bonds issued by the authority hereunder.

SECTION 9. This Act shall be liberally construed in conformity with the intention of the legislature herein expressed.

SECTION 10. The enactment of this Act prior to the approval of any constitutional provision or federal act with respect to any portion of the subject of this Act shall not affect the validity of this Act, and this Act shall nevertheless become effective since, in

the judgment of the legislature, the department, the authority, and local governmental entities have the authority to jointly participate in the cost of many projects under existing constitutional provisions.

SECTION 11. 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 30, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1364 on May 26, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 22, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 17, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.