

CHAPTER 671

S.B. No. 647

AN ACT

relating to the issuance of obligations by certain transportation authorities.

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

SECTION 1. Section 2, Chapter 656, Acts of the 68th Legislature, Regular Session, 1983, as amended (Article 717q, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. (a) The governing body of an issuer is hereby authorized and empowered to issue, sell, and deliver obligations and execute credit agreements in relation thereto to finance project costs of an eligible project, or to refund obligations issued in connection with an eligible project, subject to the limitations contained herein. Obligations shall be secured solely by (A) the proceeds of sale of other obligations; (B) the proceeds of sale of revenue bonds payable from the revenue to be received from a public utility or a specified user of a public utility; (C) any revenues which the issuer is authorized by any statute, city home-rule charter, or constitutional provision to pledge to the payment of any obligations; or (D) any one or more of such sources, including credit agreements, all as the governing body of the issuer shall provide in the resolution, order, or ordinance

authorizing the issuance of the obligations. Obligations shall be repaid from the source or sources securing the payment thereof, funds received from a credit agreement, or from any other revenues otherwise legally available for the payment thereof, except funds derived from ad valorem taxation.

*(b) A transportation authority created, organized, and operating under Chapter 683, Acts of the 66th Legislature, Regular Session, 1979 (Article 1118y, Vernon's Texas Civil Statutes), may not issue obligations, except refunding obligations, payable in whole or in part from its sales tax revenues and having a maturity longer than five years unless an election required by Subsection (h) of Section 15 of Chapter 683, Acts of the 66th Legislature, Regular Session, 1979 (Article 1118y, Vernon's Texas Civil Statutes), has been held and favorably carried. However, obligations that are exempt from such election requirements by the terms of that Act are also exempt from the election requirements of this subsection.*

SECTION 2. 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 the Senate on May 4, 1987, by the following vote: Yeas 30, Nays 1. Passed the House on May 22, 1987, by the following vote: Yeas 148, Nays 0, one present not voting.

Approved June 19, 1987.

Effective June 19, 1987.