

By: Burkett

H.B. No. 1350

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on the amount of tolls and other charges that may be imposed by toll project entities for the use of toll projects.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 228.012(a) and (b), Transportation Code, are amended to read as follows:

(a) The department shall create a separate account in the state highway fund to hold payments received by the department under a comprehensive development agreement ~~[and the surplus revenue of a toll project or system]~~. The department shall create subaccounts in the account for each project, system, or region. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount.

(b) The department shall hold money in a subaccount in trust for the benefit of the region in which a project or system is located and may assign the responsibility for allocating money in a subaccount to a metropolitan planning organization in which the region is located for projects approved by the department. At the time the project is approved by the department money shall be allocated and distributed to projects authorized by Section 228.0055 ~~[or Section 228.006, as applicable]~~.

SECTION 2. Section 228.053, Transportation Code, is amended by amending Subsections (b) and (f) and adding Subsection (b-1) to

1 read as follows:

2 (b) The tolls shall be set so that~~[, at a minimum,]~~ the  
3 aggregate of tolls from the toll project or system, together with  
4 other revenue and contributions, if any,~~[+]~~

5 ~~[(1)]~~ provides a fund sufficient, but not more than  
6 necessary ~~[with other revenue and contributions, if any], to:~~

7 (1) pay:

8 (A) the cost of maintaining, repairing, and  
9 operating the project or system; and

10 (B) the principal of and interest on any  
11 outstanding ~~[the]~~ bonds issued ~~[under Subchapter C]~~ for the project  
12 or system as those bonds become due and payable; and

13 (2) create any required ~~[creates]~~ reserves for the  
14 purposes listed under Subdivision (1).

15 (b-1) After all outstanding bonds and other obligations  
16 secured by toll revenue of a toll project have been repaid or  
17 otherwise satisfied, tolls collected for use of the project may be  
18 used only for the maintenance and operation of the portion of the  
19 project for which the tolls were collected.

20 (f) The revenue and disbursements for each toll project or  
21 system shall be kept separately. The revenue from one project may  
22 not be used to pay the cost of another project except as authorized  
23 by Section ~~[Sections]~~ 228.0055 ~~[and 228.006]~~.

24 SECTION 3. Section 228.104(a), Transportation Code, is  
25 amended to read as follows:

26 (a) The principal of, interest on, and any redemption  
27 premium on bonds issued by the commission under this subchapter are

1 payable solely from:

2 (1) the revenue of the toll project or system for which  
3 the bonds are issued, including tolls pledged to pay the bonds;

4 (2) the proceeds of bonds issued for the project or  
5 system;

6 (3) the amounts deposited in a debt service reserve  
7 fund as required by the trust agreement securing bonds issued for  
8 the project or system;

9 (4) amounts received under a credit agreement relating  
10 to the project or system for which the bonds are issued; and

11 (5) ~~[surplus revenue of another project or system as~~  
12 ~~authorized by Section 228.006, and~~

13 ~~[(6)]~~ amounts received by the department:

14 (A) as pass-through tolls under Section 222.104;

15 (B) under an agreement with a local governmental  
16 entity entered into under Section 228.254;

17 (C) under other agreements with a local  
18 governmental entity relating to the project or system for which the  
19 bonds are issued; and

20 (D) under a comprehensive development agreement  
21 entered into under Section 223.201.

22 SECTION 4. Section 228.105, Transportation Code, is amended  
23 to read as follows:

24 Sec. 228.105. SOURCES OF PAYMENT OF AND SECURITY FOR TOLL  
25 REVENUE BONDS. Notwithstanding any other provisions of this  
26 subchapter, toll revenue bonds issued by the commission may:

27 (1) be payable from and secured by:

(A) payments made under an agreement with a local governmental entity as provided by Section 228.254;

(B) the proceeds of bonds issued for the toll project or system; or

(C) amounts deposited in a debt service reserve fund as required by the trust agreement securing bonds issued for the project or system; ~~or~~

~~[(D) surplus revenue of another toll project or system as authorized by Section 228.006;]~~ and

(2) state on their faces any pledge of revenue or taxes and any security for the bonds under the agreement.

SECTION 5. Section 284.069, Transportation Code, is amended to read as follows:

Sec. 284.069. TOLLS AND CHARGES. (a) A ~~[If bonds under this chapter are payable in whole or in part from project revenue, the]~~ county shall impose tolls and charges for the use of a project that are, together with other money or revenues available for the project, including ad valorem tax, sufficient, but not more than necessary, to:

(1) pay the maintenance and operating expenses of the project;

(2) pay the principal of, premium of, if any, and interest on any outstanding ~~[the]~~ bonds when due;

(3) establish a reserve for payment of any outstanding bond principal, premium, and interest; and

(4) establish an adequate fund for project depreciation and replacement.

1        (b) After all outstanding bonds and other obligations  
2 secured by toll revenue and charges of a project have been repaid or  
3 otherwise satisfied, tolls and charges collected for use of the  
4 project may be used only for the maintenance and operation of the  
5 portion of the project for which the tolls and charges were  
6 collected.

7        SECTION 6. Section 365.041, Transportation Code, is amended  
8 to read as follows:

9        Sec. 365.041. AMOUNT OF TOLLS. (a) Revenue from tolls and  
10 other charges under Section 365.040 may be sufficient, but not more  
11 than necessary, to:

12            (1) pay all expenses necessary to maintain and operate  
13 the toll road project;

14            (2) make necessary payments and otherwise comply with  
15 any permit or franchise for maintenance or operation of the toll  
16 road project;

17            (3) pay the principal and redemption price of and  
18 interest on all bonds that the district is obligated to pay,  
19 regardless of whether the bonds were issued as revenue bonds;

20            (4) pay all sinking fund or reserve fund payments  
21 agreed to be made in connection with bonds or other obligations as  
22 they become due and payable to establish a reasonable depreciation  
23 and emergency fund;

24            (5) comply with any agreement made with the holders of  
25 the district's bonds or other obligations or with another person on  
26 the bondholder's behalf; and

27            (6) recover a reasonable rate of return on invested

1 capital.

2 (b) After all outstanding bonds and other obligations  
3 secured by toll revenue and other charges of a toll road project  
4 have been repaid or otherwise satisfied, tolls and other charges  
5 collected for use of the project may be used only for the  
6 maintenance and operation of the portion of the project for which  
7 the tolls and other charges were collected.

8 SECTION 7. Section 366.113(a), Transportation Code, is  
9 amended to read as follows:

10 (a) The principal of, interest on, and any redemption  
11 premium on bonds issued by an authority are payable solely from:

12 (1) the revenue of the turnpike project or system for  
13 which the bonds are issued, including tolls pledged to pay the  
14 bonds;

15 (2) payments made under an agreement with the  
16 commission or a local governmental entity as provided by Subchapter  
17 G;

18 (3) money derived from any other source available to  
19 the authority, other than money derived from a turnpike project  
20 that is not part of the same system or money derived from a  
21 different system~~[, except to the extent that the surplus revenue of~~  
22 ~~a turnpike project or system has been pledged for that purpose];~~  
23 and

24 (4) amounts received under a credit agreement relating  
25 to the turnpike project or system for which the bonds are issued.

26 SECTION 8. Section 366.173, Transportation Code, is amended  
27 by amending Subsection (b) and adding Subsection (b-1) to read as

1 follows:

2 (b) Tolls must be set so that the aggregate of tolls from an  
3 authority's turnpike project or system, together with other revenue  
4 of the turnpike project or system[+]

5 [~~(1)~~] provides revenue sufficient, but not more than  
6 necessary, to:

7 (1) pay:

8 (A) the cost of maintaining, repairing, and  
9 operating the turnpike project or system; and

10 (B) the principal of and interest on any  
11 outstanding [~~the~~] bonds issued for the turnpike project or system  
12 as those bonds become due and payable; and

13 (2) create any required [~~creates~~] reserves for a  
14 purpose listed under Subdivision (1).

15 (b-1) After all outstanding bonds and other obligations  
16 secured by toll revenue of a turnpike project have been repaid or  
17 otherwise satisfied, tolls collected for use of the project may be  
18 used only for the maintenance and operation of the portion of the  
19 project for which the tolls were collected.

20 SECTION 9. Section 370.113(a), Transportation Code, is  
21 amended to read as follows:

22 (a) The principal of, interest on, and any redemption  
23 premium on bonds issued by an authority are payable solely from:

24 (1) the revenue of the transportation project for  
25 which the bonds are issued;

26 (2) payments made under an agreement with the  
27 commission, the department, or other governmental entity as

1 authorized by this chapter;

2 (3) money derived from any other source available to  
3 the authority, other than money derived from a transportation  
4 project that is not part of the same system or money derived from a  
5 different system, except to the extent that the surplus revenue of a  
6 transportation project or system, other than a turnpike project,  
7 has been pledged for that purpose;

8 (4) amounts received under a credit agreement relating  
9 to the transportation project for which the bonds are issued; and

10 (5) the proceeds of the sale of other bonds.

11 SECTION 10. Section 370.172, Transportation Code, is  
12 amended by amending Subsection (b) and adding Subsection (b-1) to  
13 read as follows:

14 (b) Tolls, fees, fares, or other charges must be set at  
15 rates or amounts so that the aggregate of tolls, fees, fares, or  
16 other charges from an authority's transportation project, together  
17 with other revenue of the transportation project[+

18 [~~+~~] provides revenue sufficient, but not more than  
19 necessary, to:

20 (1) pay:

21 (A) the cost of maintaining, repairing, and  
22 operating the transportation project;

23 (B) the principal of and interest on any  
24 outstanding bonds issued for the transportation project as those  
25 bonds become due and payable; and

26 (C) any other payment obligations of an authority  
27 under a contract or agreement authorized under this chapter; and



1           (2) create any required [~~creates~~] reserves for a  
2 purpose listed under Subdivision (1).

3           (b-1) After all outstanding bonds and other obligations  
4 secured by toll revenue or fees, fares, or other charges of a  
5 transportation project have been repaid, tolls or fees, fares, or  
6 other charges collected for use of the project may be used only for  
7 the maintenance and operation of the portion of the project for  
8 which the amounts were collected.

9           SECTION 11. Subchapter B, Chapter 372, Transportation Code,  
10 is amended by adding Section 372.054 to read as follows:

11           Sec. 372.054. LIMIT ON TOLL COLLECTIONS. (a) A toll project  
12 entity may not set tolls or other charges for use of a project in an  
13 amount that exceeds the amount necessary to:

14                 (1) pay bonds and other obligations secured by the  
15 revenue as required by a bond resolution or trust agreement; and

16                 (2) provide for the maintenance and operation of the  
17 project.

18           (b) After all outstanding bonds and other obligations  
19 secured by toll revenue and other charges of a transportation  
20 project have been repaid or otherwise satisfied, tolls and other  
21 charges collected for use of the project may be used only for the  
22 maintenance and operation of the portion of the project for which  
23 the tolls or charges were collected.

24           SECTION 12. The following provisions of the Transportation  
25 Code are repealed:

26                 (1) Section 228.006;

27                 (2) Section 228.109(d);

1           (3) Section 366.003(9-a);

2           (4) Section 366.037; and

3           (5) Section 366.175.

4           SECTION 13. This Act takes effect immediately if it  
5 receives a vote of two-thirds of all the members elected to each  
6 house, as provided by Section 39, Article III, Texas Constitution.  
7 If this Act does not receive the vote necessary for immediate  
8 effect, this Act takes effect September 1, 2015.