

BILL ANALYSIS

Senate Research Center
86R4702 JAM-D

S.B. 365
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Capital Metro is the metropolitan rapid transit authority that serves the Austin area pursuant to Chapter 451 of the Transportation Code.

S.B. 365 allows Capital Metro to finance a facility for up to 15 years, which can save millions of dollars in lieu of leasing for a similar amount of time.

Current statute limits Capital Metro's short-term bonding authority to one year, while other transit authorities may issue longer short-term bonds. This limits the agency's ability to finance capital projects, such as a new maintenance facility or replacement headquarters building. Updating this provision will give Capital Metro additional flexibility, which will in turn allow them to use their resources more efficiently.

As proposed, S.B. 365 amends current law relating to bonds issued by certain metropolitan rapid transit authorities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 451.362, Transportation Code, by amending Subsection (a) and adding Subsection (e), as follows:

- (a) Adds an exception under Subsection (e) to the authorization of the governing body of an authority to issue bonds that are secured by revenue or taxes of the authority.
- (e) Prohibits bonds from having a term of more than 15 years in an authority confirmed before July 1, 1985, in which the principal municipality has a population of less than one million. Provides that bonds are payable only from taxes or revenue received on or after the date the bonds are issued.

SECTION 2. Effective date: September 1, 2019.