REVISOR'S REPORT

TRANSPORTATION CODE
TITLES 1, 2, 3, 4, 6, AND 7

VOLUME IV

A NONSUBSTANTIVE REVISION
OF THE STATUTES RELATING TO
TRANSPORTATION

Including
Carriers
Aviation
Navigation
Roadways
Vehicles and Traffic

To be submitted to the 74th Legislature
as part of the
Texas Legislative Council's
Statutory Revision Program

Austin, Texas
March 1995
revision. The part of Section 19 that is omitted reads:

This Act shall be cumulative of other laws on the subject but insofar as the provisions of this Act are inconsistent with the provisions of any other law, the provisions of this Act shall be controlling.

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CHAPTER 452. REGIONAL TRANSPORTATION AUTHORITIES
SUBCHAPTER A. GENERAL PROVISIONS

Revised Law

Sec. 452.001. DEFINITIONS. In this chapter:

(1) "Authority" means a regional transportation authority created under this chapter or Chapter 683, Acts of the 66th Legislature, Regular Session, 1979. The term includes:

(A) when used in Subchapters B, C, D, F, H, and I and Sections 452.201 and 452.451, a subregional authority created by a contiguous municipality; and

(B) as appropriate, an authority, other than an authority created by a contiguous municipality, consisting of one subregion.

(2) "Complementary transportation services" includes:

(A) special transportation services for a person who is elderly or has a disability;

(B) medical transportation services;

(C) assistance in street modifications as necessary to accommodate the public transportation system;

(D) construction of new general aviation facilities or renovation or purchase of existing facilities not served by certificated air carriers to relieve air traffic congestion at existing facilities; and

(E) any other service that complements the public transportation system, including providing parking garages.

(3) "Contiguous municipality" means a municipality that has a boundary contiguous with a principal municipality and having:

(A) a population of more than 250,000, according
to the most recent population estimate of the appropriate metropolitan planning organization; or

(B) boundaries extending into two or more adjacent counties, two of which counties include a principal municipality.

(4) "County of a principal municipality" means the county having a majority of the territory of a principal municipality.

(5) "Executive committee" means the authority directors who serve as the governing body of the authority.

(6) "Light rail mass transit system" means a system that:

(A) uses a fixed guideway rail with electric power propelling mass transit passenger vehicles; and

(B) is constructed by an authority.

(7) "Metropolitan area" means a federal standard metropolitan statistical area having a population of more than 500,000, not more than 60 percent of which resides in municipalities having a population of more than 300,000.

(8) "Principal municipality" means a municipality having a population of at least 300,000.

(9) "Public transportation" means the conveyance of passengers and hand-carried packages or baggage of a passenger by any means of transportation.

(10) "Public transportation system" means:

(A) all property owned or held by an authority for public transportation or complementary transportation service purposes, including vehicle parking areas and facilities and other facilities necessary or convenient for the beneficial use of, and the access of persons and vehicles to, public transportation;

(B) real property, facilities, and equipment for the protection and environmental enhancement of all the facilities; and

(C) property held:
(i) in accordance with a contract with the owner making the property subject to the control of or regulation by the authority; and
(ii) for public transportation or complementary transportation service purposes.

(11) "Service plan" means an outline of the service that would be provided by the authority to those units of election confirmed at an election.

(12) "Subregion" means a principal municipality, the county of the principal municipality, and any municipality or unit of election included in the boundaries of a subregion by the creating entity of that subregion and confirmed at an election.

(13) "Subregional board" means a board created under Subchapter N or O to represent a subregion.

(14) "Unit of election" means:
(A) a principal municipality;
(B) a designated unincorporated area created by the commissioners court of a county of a principal municipality; or
(C) any other municipality located in the territory of an authority. (V.A.C.S. Art. 1118y, Secs. 2(1), (2), (4), (5), (7a), (8), (10), (11), (12) (part), (13), (14), (15), (16); Secs. 24(a) (part), (j) (part).)

Source Law
Sec. 2. In this Act, unless the context requires otherwise:
(1) "Authority" means a regional transportation authority created pursuant to this Act.
(2) "County of a principal city" means a county in which the majority of the territory of a principal city is situated.
(4) "Executive committee" means the directors of the authority who serve as the governing body of the authority.
(5) "General transportation services" means services that complement the public transportation system, including but not limited to parking garages, special transportation services for the elderly and the handicapped, medical transportation services, assistance in street modifications as necessary to accommodate the public transportation system, and construction of new general aviation facilities or renovation or purchase of existing facilities not served by certificated air carriers in

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order to relieve air traffic congestion at existing facilities.

(7a) "Light rail mass transit system" means a system that is constructed by an authority under this Act and that uses a fixed guideway rail with electric power propelling mass transit passenger vehicles.

(8) "Metropolitan area" means a federal standard metropolitan statistical area having a population of more than 500,000, not more than 60 percent of which reside in cities of more than 300,000.

(10) "Principal city" means a city having a population of at least 300,000.

(11) "Public transportation" means the conveyance of passengers and hand-carried packages or baggage of passengers by means of any mode of transportation.

(12) "Public transportation system" means all real and personal property owned or otherwise held, including property held in accordance with a contract with the owner making the property subject to the control of or regulation by the authority, by an authority for public transportation or general transportation service purposes, including but not limited to land, interests in land, buildings, structures, rights-of-way, easements, franchises, rail lines, bus lines, mass transportation facilities, rapid transit facilities, stations, platforms, terminals, rolling stock, garages, shops, equipment and facilities (including vehicle parking areas and facilities and other facilities necessary or convenient for the beneficial use and access of persons and vehicles to public transportation), control houses, signals and land, facilities and equipment for the protection and environmental enhancement of all the facilities. . .

(13) "Service plan" means an outline of the service that would be provided by the authority to those units of election confirming the authority in an election.

(14) "Subregion" means a principal city, the county of the principal city, and any city or unit of election included within the boundaries of a subregion by the creating entity of that subregion and which is confirmed at an election.

(15) "Subregional board" means the board created to represent a subregion pursuant to Sections 6 and 7 of this Act.

(16) "Unit of election" means any one of the following:

(A) a principal city;
(B) a designated unincorporated area created by the commissioners court of a county of a principal city;
(C) any other incorporated city located within the territory of an authority.

Sec. 24. (a) . . . with a population in excess of 250,000, according to the most recent population estimates of the appropriate metropolitan planning organization and with boundaries contiguous to a principal city, or any city with boundaries contiguous to a principal city and with boundaries extending into two or more adjacent counties, two of which counties include a principal city, . . . . Such cities shall be called "contiguous cities."
(j) Except as otherwise provided by this section, Sections 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 23B, and 23C shall be applicable to the subregional transportation authorities. Whenever the term "authority" is used, it shall mean "subregional transportation authority." . . .

Revisor's Note

(1) Section 2, V.A.C.S. Article 1118y, states that the defined terms have the meanings defined "unless the context requires otherwise." This limitation is omitted from the revised law because the defined terms are used consistently in the revision in the context to which the definition applies.

(2) Section 2(1), V.A.C.S. Article 1118y, refers to the creation of an authority under this act. "Act" refers to Chapter 683, Acts of the 66th Legislature, Regular Session, 1979, and the revised law reflects that citation. The revised law also adds a reference to an authority created under this chapter to include an authority created after the revision is adopted.

(3) Section 2(5), V.A.C.S. Article 1118y, defines "general transportation services" to be services that complement the public transportation system. In the revised law the term is changed to "complementary transportation services" to reflect better the definition of the kinds of services included. "General transportation services" connotes what is defined in Section 2(11) as public transportation but is meant to be distinguished from that term. In this chapter of the revision, "complementary transportation services" is used in place of "general transportation services."

(4) Sections 2(5) and (12), V.A.C.S. Article 1118y, refer to "including, but not limited to." "[B]ut not limited to" is omitted as unnecessary because Section 311.005(13), Government Code (Code
Construction Act), and Section 312.011(19), Government Code, provide that "includes" and "including" are terms of enlargement and not of limitation and do not create a presumption that components not expressed are excluded.

(5) Section 2(12), V.A.C.S. Article 1118y, refers to "real and personal" property. The reference to "real and personal" is omitted as unnecessary because Section 311.005(4), Government Code (Code Construction Act), defines "property" as real and personal property. Section 2(12) also contains a nonrestrictive listing of property that is included in the meaning of "property." The listing is omitted because all of the listed examples are clearly property and do not add to the understanding of the term.

(6) Section 2, V.A.C.S. Article 1118y, refers to "city." The revised law substitutes the term "municipality" for "city" because the terms are synonymous and "municipality" is the term used in the Local Government Code. Similar references to "city" are used throughout V.A.C.S. Article 1118y. Each of those references is also changed in the revised law to "municipality." See End of Chapter Reviser's Note (2) following the final revised section of this chapter.

(7) Section 2(16), V.A.C.S. Article 1118y, refers to "incorporated city." "Incorporated" is omitted from the revised law as unnecessary because a municipality is an incorporated city.

(8) Section 2, V.A.C.S. Article 1118y, provides definitions for "creating entities," "interim executive committee," and "interim subregional board(s)." These definitions are omitted as unnecessary because the meanings of these terms when used in the context of the revised law are clear and unambiguous. The omitted
provisions read:

(3) "Creating entities" means the principal city and/or county of the principal city or any contiguous city as provided in Section 24.

(6) "Interim executive committee" means the executive committee selected before the confirmation election for the purpose of guiding the establishment of a permanent authority and creating a service plan.

(7) "Interim subregional board(s)" means the subregional board(s) organized to serve before the holding of the confirmation election.

(9) Section 24(j), V.A.C.S. Article 1118y, provides that Sections 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 23B, and 23C of that article apply to an authority created by a contiguous municipality and that for those sections "authority" includes an authority created by a contiguous municipality.

Sections 10, 14, 15, 16, 17, 19, 22, 23, 23B, and 23C and parts of Sections 18 and 20 are revised in Subchapters B, C, D, F, H, and I of this chapter. The remaining parts of Sections 18 and 20 are revised in Sections 452.201 and 452.451 of this code. The revised law cites these provisions. Cross-references to Sections 13 and 21, V.A.C.S. Article 1118y, are not included in the revised law because the references are unnecessary. Section 13 refers to the composition of an executive committee and a reference to that provision is unnecessary because the executive committee for an authority created by a contiguous municipality is expressly covered in Subchapter L of Chapter 452 of this code. Section 21 is revised in Section 445.023, Local Government Code, which refers to an authority created under Chapter 452 of this code, which would include an authority created by a contiguous municipality.
Revised Law
Sec. 452.002. DETERMINATION OF POPULATION. In this chapter, population of a municipality or area is determined by the most recent federal census unless there has been no federal census in the preceding five years, in which case the population is the latest population estimate of the appropriate metropolitan planning organization. (V.A.C.S. Art. 1118y, Sec. 2(9).)

Source Law
(9) "Population" means the population of a city or area as the context may require, according to the last preceding federal census or if there has been no federal census within the preceding five years, then according to the latest population estimates of the appropriate metropolitan planning organization.

Revised Law
Sec. 452.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION SERVICES. This chapter does not prohibit a municipality from providing public or complementary transportation services. (V.A.C.S. Art. 1118y, Sec. 23A.)

Source Law
Sec. 23A. Nothing contained in this Act shall preclude an incorporated city from providing general transportation services or public transportation services.

Revised Law
Sec. 452.004. EXECUTIVE COMMITTEE OF AUTHORITY CONSISTING OF ONE SUBREGION. The executive committee of an authority that consists of one subregion, other than an authority created by a contiguous municipality, is the board for the subregion and the members of the executive committee are selected in the manner prescribed for selection of the members of the board for that subregion. (V.A.C.S. Art. 1118y, Sec. 13 (part).)

Source Law
Sec. 13. . . . If a creating entity in only one subregion initiates the process or if the existence of the authority is confirmed in only one subregion or separate subregion, then the board for that subregion shall become the executive committee and governing body.
of the authority, and members of the executive
committee shall be selected in the manner prescribed
for selection of the members of the board for the
subregion that comprises the authority.

Revisor's Note
The revised law adds an exception that excludes
authorities created by contiguous municipalities
because Subchapter L of this chapter, which is derived
from Section 24, V.A.C.S. Article 1118y, provides for
the executive committee of an authority created by a
contiguous municipality.

[Sections 452.005-452.050 reserved for expansion]

SUBCHAPTER B. POWERS OF AUTHORITIES

Revised Law
Sec. 452.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY.
This subchapter applies only to an authority that has been
confirmed. (V.A.C.S. Art. 1118y, Secs. 9(i) (part), 10(a) (part),
24(h)(7) (part).)

Source Law
[Sec. 9]
(i) If the election results in the confirmation
of an authority, the authority shall, within the limits
confirmed, be authorized to function in accordance with
the terms of this Act, . . . .

Sec. 10. (a) The authority when created and
confirmed shall . . . .

[Sec. 24]
(h) . . . .
(7) If the election results in the
confirmation of a subregional transportation authority,
the authority and the governing body of the contiguous
city shall, within the limits confirmed, be authorized
to function in accordance with the terms of this
Act, . . . .

Revisor's Note
Section 10(a), V.A.C.S. Article 1118y, refers to
an authority "when created and confirmed." The
reference to creation is omitted as unnecessary. Under
the procedure for the organization of a new authority,
an authority must be created before it can be confirmed. Therefore, all authorities that are confirmed have been created.

Revised Law

Sec. 452.052. NATURE OF AUTHORITY. (a) An authority:
(1) is a public political entity and corporate body;
(2) has perpetual succession; and
(3) exercises public and essential governmental functions.
(b) The exercise of a power granted by this chapter, including a power relating to a station or terminal complex, is for a public purpose and is a matter of public necessity.
(c) An authority is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the authority are not proprietary functions for any purpose including the application of Chapter 101, Civil Practice and Remedies Code. (V.A.C.S. Art. 1118y, Secs. 10(a) (part), (b), (p), 14(a), 23B (part).)

Source Law

Sec. 10. (a) The authority . . . shall constitute a public body corporate and politic, exercising public and essential governmental functions . . . .
(b) The authority shall have perpetual succession.
(p) The acquisition of any land or interest therein pursuant to this Act, the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, protection, and policing of the authority's system and facilities, and the exercise of any other powers herein granted an authority are hereby declared to be public and governmental functions, exercised for a public purpose, and matters of public necessity.

Sec. 14. (a) The acquisition of any land or any interest in land pursuant to this Act; the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, protection, and policing of the authority's system and facilities; and the exercise of any other powers granted an authority, including without limitation the rights, powers, and authority relating to station or terminal complexes as provided in this section, are declared to be public and governmental functions, exercised for a public purpose, and matters
of public necessity for public use and public benefit.

Sec. 23B. Any authority established under this Act . . . is a "governmental unit" as that term is defined by the Texas Tort Claims Act (Chapter 101, Civil Practice and Remedies Code), and all operations of an authority . . . are essential governmental functions and not proprietary functions for all purposes, including the application of the Texas Tort Claims Act . . . .

Reviser's Note

Sections 10(p) and 14(a), V.A.C.S. Article 1118y, contain lists of activities of an authority, concluding with "and the exercise of any other powers . . . granted an authority." The parts of the lists preceding the general statement are omitted as unnecessary, being included within the meaning of other powers of the authority.

Revised Law

Sec. 452.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY.
Except as provided by Section 452.104, the executive committee is responsible for the management, operation, and control of an authority and its property. (V.A.C.S. Art. 1118y, Secs. 5(a) (part), 18(a) (part), 24(g)(1) (part).)

Source Law

Sec. 5. (a) The control and operation of a regional transportation authority and its property shall be vested in an executive committee . . . .

Sec. 18. (a) The responsibility for the operation and control of the properties belonging to an authority shall be vested in its executive committee . . . .

[Sec. 24]
(g)(1) Subject to the powers reserved to the governing body of the contiguous city, the management, control, and operation of a subregional transportation authority and its property shall be vested in an executive committee . . . .

Reviser's Note

(1) A cross-reference to Section 452.104 of this code is added to alert the reader that some authorities
may have a general manager or executive director who shares management responsibilities with the executive committee.

(2) Section 24(g)(1), V.A.C.S. Article 1118y, provides that the management powers of an executive committee of an authority created by a contiguous city are subject to the powers reserved to the governing body of the contiguous city. This provision is omitted as unnecessary because the sections of the revised law that give the governing body of the contiguous city powers are sufficiently clear that those powers prevail over any power of the executive committee. For example, see Section 452.055(d) of this code.

Revised Law
Sec. 452.054. GENERAL POWERS OF AUTHORITY. (a) An authority has any power necessary or convenient to carry out this chapter or to effect a purpose of this chapter.

(b) An authority may sue and be sued. An authority may not be required to give security for costs in a suit brought or prosecuted by the authority and may not be required to give a supersedeas or cost bond in an appeal of a judgment.

(c) An authority may hold, use, sell, lease, dispose of, and acquire, by any means, property and licenses, patents, rights, and other interests necessary, convenient, or useful to the exercise of any power under this chapter.

(d) An authority may sell, lease, or dispose of in another manner:

(1) any right, interest, or property of the authority that is not needed for, or, if a lease, is inconsistent with, the efficient operation and maintenance of the public transportation system; or

(2) at any time, surplus materials or other property that is not needed for the requirements of the authority or for
carrying out a power under this chapter. (V.A.C.S. Art. 1118y,
Secs. 10(a) (part), (c), (d), (l) (part), (m).)

Source Law

[Sec. 10. (a) The authority] ... having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including but not limited to the following powers granted in this section.

(c) The authority may sue and be sued in all courts of competent jurisdiction and may institute and prosecute suits without giving security for costs and may appeal from a judgment or judgments without giving supersedeas or cost bond.

(d) The authority may acquire by grant, purchase, gift, devise, lease, or otherwise and may hold, use, sell, lease, or dispose of real and personal property of every kind and nature whatsoever and licenses, patents, rights, and interests necessary, convenient, or useful for the full exercise of any of its powers pursuant to the provisions of this Act.

(1) ... and may generally perform all acts necessary for the full exercise of the powers vested in it. ...

(m) The authority may sell, lease, convey, or otherwise dispose of any of its rights, interests, or properties which are not needed for or, in the case of leases, which are not inconsistent with the efficient operation and maintenance of the system. It may sell, lease, or otherwise dispose of at any time any surplus materials or personal or real property not needed for its requirements or for the purpose of carrying out its power under this Act.

Revisor's Note

(1) Section 10(c), V.A.C.S. Article 1118y, refers to suits brought "in all courts of competent jurisdiction." The revised law omits the quoted language as unnecessary because a suit may be brought only in a court, and the general laws of civil jurisdiction determine which courts have jurisdiction. For example, see Sections 24.007-24.011, Government Code, for the general jurisdiction of district courts.

(2) Section 10(d), V.A.C.S. Article 1118y, refers to "real and personal property of every kind and nature whatsoever." The revised law uses only the term "property" because that term is defined by Section 311.005(4), Government Code (Code Construction Act), to
include real and personal property.

Revised Law

Sec. 452.055. CONTRACTS; GRANTS AND LOANS. (a) An authority may contract with any person.

(b) An authority may accept a grant or loan from any person.

(c) An authority may enter one or more agreements with any municipality included in the area of the authority for the distribution of the authority's revenues.

(d) The terms of a contract between a regional authority and a subregional authority created by a contiguous municipality or between a regional authority and a joint subregional authority must be approved by the governing body of each municipality participating in the subregional or joint subregional authority.

(V.A.C.S. Art. 1118y, Secs. 10(1) (part), (v) (part), 24(e) (part).)

Source Law

[Sec. 10] (1) The authority may make contracts, leases, and agreements with and accept grants and loans from the United States of America, its departments and agencies, the State of Texas, its agencies, counties, municipalities, and political subdivisions, and public or private corporations and persons . . . .

(v) . . . 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.

[Sec. 24] (e) . . . A subregional transportation authority or joint subregional transportation authorities may enter into contracts, with terms approved by the governing bodies of the participating cities, with a regional transportation authority.

Revisor's Note

(1) Section 10(1), V.A.C.S. Article 1118y, refers to the United States of America, its departments and agencies, the State of Texas, its agencies, counties, municipalities, and political subdivisions, and public or private corporations and persons. The
revised law includes only the reference to persons.
Section 311.005(2), Government Code (Code Construction Act), defines "person" to include all of the omitted entities. That definition applies to this code. See Chapter 1 of this code.

(2) Section 10(1), V.A.C.S. Article 1118y, refers to the power to make "contracts, leases, and agreements." The references to "leases" and "agreements" are omitted because in the context of this section a contract includes a lease or agreement.

(3) Section 10(1), V.A.C.S. Article 1118y, authorizes certain authorities to make contracts in excess of one year notwithstanding the Interlocal Cooperation Act. That provision is omitted as unnecessary. No law, including the Interlocal Cooperation Act, limits the contracts of an authority created under this chapter to a term of one year or less. The omitted provision reads:

... Notwithstanding The Interlocal Cooperation Act (Article 4413(32c), Vernon's Texas Civil Statutes), an agreement entered into by an authority consisting of one subregion governed by a subregional board created under Section 6 of this Act with the state or an agency or political subdivision of the state may be for a term in excess of one year. . . .

(4) Section 10(v), V.A.C.S. Article 1118y, validates certain agreements made before May 1, 1993. This provision is omitted as executed. The omitted provision reads:

(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. . . .

Revised Law
Sec. 452.056. OPERATION OF PUBLIC TRANSPORTATION SYSTEM.
(a) An authority may:

(1) acquire, construct, develop, plan, own, operate, and maintain a public transportation system in the territory of the authority, including the territory of a political subdivision;

(2) contract with a municipality, county, or other political subdivision for the authority to provide public transportation services outside the authority; and

(3) lease all or a part of the public transportation system to, or contract for the operation of all or a part of the public transportation system by, an operator.

(b) An authority, as the authority determines advisable, shall determine routes.

(c) The executive committee may submit a referendum for the approval of a power granted by Subsection (a) or (b).

(d) A private operator who contracts with an authority under this chapter is not a public entity for purposes of any law of this state except that an independent contractor of the authority that, on or after June 14, 1989, performs a function of the authority or an entity under Title 112, Revised Statutes, that is created to provide transportation services is liable for damages only to the extent that the authority or entity would be liable if the authority or entity itself were performing the function and only for a cause of action that accrues on or after that date.

(e) An authority consisting of one subregion governed by a subregional board created under Subchapter O shall, at least once every five years, evaluate each distinct transportation service the authority provides that generates revenue, including light rail, bus, van, taxicab, and other public transportation services, and determine whether the authority should solicit competitive, sealed bids from other entities to provide these transportation services.

(V.A.C.S. Art. 1118y, Secs. 2(12) (part), 10(e) (part), (n) (part), (o), (q), (r), 14(b) (part), 20(j), 23B (part).)

Source Law

[Sec. 2]

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contracts with an authority under this Act is not a public entity for purposes of any law of this state except as provided by Section 23B of this Act.

[Sec. 10]

(e) The authority shall have the power to acquire, construct, complete, develop, plan, own, operate, and maintain a system or systems within its boundaries and both within and without the boundaries of incorporated cities, towns, and villages and political subdivisions ....

(n) The authority ... and shall determine all routings and change the same whenever it is deemed advisable. ... 

(o) The authority shall have the power to lease the system or any part thereof to or contract for the use or operation of the system or any part thereof by any operator.

(q) The authority may contract with any city, county, or other political subdivision for the authority to provide public transportation services to any area outside the boundaries of the authority on such terms and conditions as may be agreed to by the parties. 

(r) The authority shall have the power to acquire, construct, complete, develop, plan, own, operate, and maintain a public transportation system and general transportation services within its boundaries and both within and without the boundaries of incorporated cities, towns, and villages and political subdivisions. The powers of the authority may be approved all or in part by referenda proposed by the executive committee. These powers as they relate to a public transportation system and general transportation services are identical to those outlined in other subsections of this section.

[Sec. 14]

(b) The authority shall have the right, power, and authority to acquire by grant, purchase, gift, devise, lease, ... and to own lands in fee simple and any interest less than fee simple ... adjacent or accessible to stations and other public or general transportation facilities developed or to be developed by the authority that may be required for or in aid of the development of one or more station or terminal complexes, as part of its transportation system ....

[Sec. 20]

(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.

Sec. 23B. ... If an independent contractor of the authority or entity is performing a function of the authority or entity, the contractor is liable for damages only to the extent that the authority or entity would be liable if the authority or entity itself were performing the function. This section applies only to
a cause of action that accrues on or after the
effective date of this section. . . .

Revisor's Note

(1) Section 10(n), V.A.C.S. Article 1118y,
authorizes the authority to determine and change
routes. The revised law omits the reference to
changing routes. The power to set a route includes the
power to change a route.

(2) Section 10(q), V.A.C.S. Article 1118y,
authorizes a contract "on such terms and conditions as
may be agreed to by the parties." The revised law
omits the quoted language as unnecessary because a
contract contains an agreement of the parties as
expressed by its terms and conditions.

(3) Section 10(r), V.A.C.S. Article 1118y,
refers to "general transportation services." That
reference is omitted as unnecessary because the term is
included within the definition of "public
transportation system." See also Revisor's Note (3) to
Section 452.001 of this code.

(4) Section 14(b), V.A.C.S. Article 1118y,
expressly authorizes an authority to acquire land or
another property right for a station or terminal
complex. The revised law omits the specific reference
to station or terminal complexes because a station or
terminal, without regard to whether the station or
terminal is a part of a "complex," is included within
the definition of public transportation system. An
authority may acquire, construct, develop, operate, and
own a public transportation system under Subsection
(a)(1) of the revised law and may, under Sections
452.054(a) and (c) of this code, acquire property to
carry out this power.

(5) Section 20(j), V.A.C.S. Article 1118y,
refers to an authority having a principal city with a population in excess of 800,000. The revised law changes, for uniformity in this chapter, the reference to an authority consisting of one subregion governed by a subregional board created under Subchapter O of this chapter. Subchapter O applies to the creation of boards only in authorities having a principal city with a population of more than 800,000.

(6) Section 23B, V.A.C.S. Article 1118y, provides that the former law continues in effect for causes of action that accrue before the effective date of Section 23B as amended. This provision is omitted as unnecessary because the addition of any immunity at the specified effective date would not have the effect of repealing former law. The omitted provision reads:

Sec. 23B. . . . An action that accrued before the effective date of this section is governed by the law in effect at the time the action accrued, and such law is continued in effect for that purpose.

(7) A part of Section 23B, V.A.C.S. Article 1118y, that refers to a transportation entity created under Title 112, Revised Statutes, is not revised in this part of the code as proposed to the 74th Legislature, Regular Session, 1995, but is, by conforming amendment, transferred to Article 6550d, Revised Statutes, which will be scheduled for revision in the railroad title of this code and presented to a later legislative session. The reference to "entity" in the part of Section 23B that is revised in this section is a reference to those transportation entities and the revised law adds the citation to identify those entities.

Revised Law

Sec. 452.057. ACQUISITION OF PROPERTY BY AGREEMENT. An
authority may acquire rolling stock or other property under a contract or trust agreement, including a conditional sales contract, lease, and equipment trust certificate. (V.A.C.S. Art. 1118y, Sec. 10(1) (part).)

Source Law

(1) ... The authority may acquire rolling stock or other property under conditional sales contracts, leases, equipment trust certificates, or any other form of contract or trust agreement. ... 

Revised Law

Sec. 452.058. USE AND ACQUISITION OF PROPERTY OF OTHERS.

(a) For a purpose described by Section 452.056(a)(1) and as necessary or useful in the construction, repair, maintenance, or operation of the public transportation system, an authority may:

(1) use a public way, including an alley; and

(2) directly, or indirectly by another person, relocate or reroute the property of another person or alter the construction of the property of another person.

(b) For an act authorized by Subsection (a)(2), an authority may contract with the owner of the property to allow the owner to make the relocation, rerouting, or alteration by the owner's own means or through a contractor of the owner. The contract may provide for reimbursement of the owner for costs or payment to the contractor.

(c) An authority may acquire by eminent domain any interest in real property, including a fee simple interest and the use of air or subsurface space, except the right of eminent domain may not be exercised:

(1) in a municipality without the approval of each proposed acquisition by the governing body of the municipality or in an unincorporated area without the approval of each proposed acquisition by the commissioners court of the county in which the property to be condemned is located; or

(2) in a manner that would:
(A) unduly impair the existing neighborhood character of property surrounding, or adjacent to, the property to be condemned;

(B) unduly interfere with interstate commerce;

or

(C) authorize the authority to run an authority vehicle on a railroad track that is used to transport property.

(d) If an authority, through the exercise of a power under this chapter, makes necessary the relocation or rerouting of, or alteration of the construction of, a road, alley, overpass, underpass, railroad track, bridge, or associated property, an electric, telegraph, telephone, or television cable line, conduit, or associated property, or a water, sewer, gas, or other pipeline, or associated property, the relocation or rerouting or alteration of the construction must be accomplished at the sole cost and expense of the authority, and damages that are incurred by an owner of the property must be paid by the authority.

(e) Unless the power of eminent domain is exercised, an authority may not begin an activity authorized under Subsection (a) to alter or damage property of others, including this state or a political subdivision of this state, without having first received the written permission of the owner. (V.A.C.S. Art. 1118y, Secs. 10(e) (part), (f), (g), 14(b) (part).)

Source Law

[Sec. 10]

(e) . . . and for such purposes shall have the right to use the streets, alleys, roads, highways, and other public ways and to relocate, raise, reroute, change the grade of, and alter the construction of any street, alley, highway, road, railroad, electric lines and facilities, telegraph and telephone properties and facilities, cable television lines and facilities, pipelines and facilities, conduits and facilities, and other properties, whether publicly or privately owned, as necessary or useful in the construction, reconstruction, repair, maintenance, and operation of the system or to cause each and all of said things to be done at the authority's sole expense. The authority shall not proceed with any action to change, alter, or damage the property or facilities of the state, its municipal corporations, agencies, or political subdivisions or of owners of such property or facilities, without having first obtained the written
consent of such owners or unless the authority shall have first obtained the right to take such action under its power of eminent domain as herein specified. In the event the owners of such property or facilities desire to handle any such relocation, raising, change in the grade of, or alteration in the construction of such property or facilities with their own forces or to cause the same to be done by contractors of their own choosing, the authority shall have the power to enter into agreements with such owners providing for the necessary relocations, changes, or alterations of such property or facilities by the owners and/or such contractors and the reimbursement by the authority to such owners of the costs incurred by such owners in making such relocations, changes, or alterations and/or in causing the same to be accomplished by such contractors.

(f) In the event the authority in exercising any of the powers conferred by this Act makes necessary the relocations, adjustment, raising, lowering, rerouting, or changing the grade of or altering the construction of any street, alley, highway, or road; any railroad track, bridge, or other facilities or properties; any electric lines, conduits, or other facilities or properties; any gas transmission or distribution pipes, pipelines, mains, or other facilities or properties; any water, sanitary sewer, or storm sewer pipes, pipelines, mains, or other facilities or properties; any telegraph and telephone lines or other facilities or properties; any cable television lines, cables, conduits, or other facilities or properties; or any other pipelines and any facilities or properties relating thereto, any and all such relocations, adjustments, raising, lowering, rerouting, or changing of grade or altering of construction shall be accomplished at the sole cost and expense of the authority, and all damages which may be suffered by the owners of such property or facilities shall be borne by the authority.

(g) The authority shall have the right of eminent domain to acquire lands in fee simple and any interest less than fee simple in, on, under, and above lands, including, without limitation, easements, rights-of-way, rights of use of air space or subsurface space, or any combination thereof; provided that this right shall not be exercised without the approval of each proposed acquisition in a city by the governing body of that city and the approval of each proposed acquisition in an unincorporated area by the commissioners court of the county of that unincorporated area; and provided further that such right shall not be exercised in a manner which would unduly impair the then existing neighborhood character of property surrounding or adjacent to the property sought to be condemned or unduly interfere with interstate commerce or which would authorize the authority to run its vehicles on railroad tracks which are used to transport property.

[Sec. 14]

(b) The authority shall have the right, power, and authority to acquire by . . . or eminent domain proceedings . . . lands in fee simple and any interest less than fee simple in, on, under, and above lands, including without limitation easements, rights-of-way, rights of use of air space or subsurface space or any combination thereof . . . as part of its transportation system . . . .
Revisor's Note

(1) Section 10(e), V.A.C.S. Article 1118y, refers to "streets, alleys, roads, highways, and other public ways." The references to streets, roads, and highways are omitted as unnecessary because public ways include those improvements.

(2) Sections 10(e) and (f), V.A.C.S. Article 1118y, refer to the power of an authority "to relocate, raise, reroute, change the grade of, and alter the construction of any street . . . ." "Raise" and "change the grade of" are omitted as unnecessary because those terms are included in "alter the construction of."

(3) Sections 10(g) and 14(b), V.A.C.S. Article 1118y, refer to lands in "fee simple and any other interest less than fee simple in, on, under, and above lands, including, without limitation, easements, rights-of-way, rights of use of air space or subsurface space, or any combination thereof . . . ." The revised law omits references to some of the types of interest as unnecessary because each type is included as an interest in real property.

Revised Law

Sec. 452.059. EMINENT DOMAIN PROCEEDINGS. (a) An eminent domain proceeding by an authority is initiated by the adoption by the executive committee of a resolution that:

(1) describes the property interest to be acquired by the authority;

(2) declares the public necessity for and interest in the acquisition; and

(3) states that the acquisition is necessary and proper for the construction, extension, improvement, or development of the public transportation system.
(b) A resolution adopted under this section and approved by resolution of the appropriate municipal governing body or commissioners court is conclusive evidence of the public necessity for the acquisition described in the resolution and that the property interest is necessary for public use.

(c) Except as otherwise provided by this chapter, Chapter 21, Property Code, applies to an eminent domain proceeding by an authority. (V.A.C.S. Art. 1118y, Sec. 10(h).)

Source Law

(h) Eminent domain proceedings brought by the authority shall be governed by the provisions of Title 52, Eminent Domain, Revised Civil Statutes of Texas, 1925, as they now exist or hereafter may be amended, insofar as such provisions are not inconsistent with this Act. Proceedings for the exercise of the power of eminent domain shall be commenced by the adoption by the executive committee of a resolution declaring the public necessity for the acquisition by the authority of the property or interest therein described in the resolution, and that such acquisition is necessary and proper for the construction, extension, improvement, or development of the system and is in the public interest. The resolution of the authority and the approval of the resolution by the appropriate governing body or commissioners court shall be conclusive evidence of the public necessity of such proposed acquisition and that such real or personal property or interest therein is necessary for public use.

Revisor's Note

Section 10(h), V.A.C.S. Article 1118y, refers to provisions of Title 52, Revised Statutes, "as they now exist or hereafter may be amended ...." The reference to amendments to that title is omitted from the revised law as unnecessary. Sections 311.027, Government Code (Code Construction Act), and 312.008, Government Code, provide that a reference to a statute includes all reenactments, revisions, and amendments to the statute. The reference to Title 52 is changed to a reference to Chapter 21, Property Code, to reflect the codification of Title 52 into the Property Code.
Revised Law

Sec. 452.060. AGREEMENT WITH UTILITIES, CARRIERS. An authority may agree with any other public or private utility, communication system, common carrier, or transportation system for:

(1) the joint use in the authority of the property of the agreeing entities; or

(2) the establishment of through routes, joint fares, or transfers of passengers. (V.A.C.S. Art. 1118y, Sec. 10(i).)

Source Law

(i) The authority shall have the power to enter agreements with any other public utility, private utility, communication system, common carrier, or transportation system for the joint use of their respective facilities, installations, and properties within the authority and to establish through routes, joint fares, or transfer of passengers.

Revised Law

Sec. 452.061. FARES AND OTHER CHARGES. (a) An authority shall impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the public transportation system sufficient to produce revenue, together with tax revenue and grants received by the authority, in an amount adequate to:

(1) pay all the expenses necessary to operate and maintain the public transportation system;

(2) pay when due the principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the authority and payable in whole or part from the revenue; and

(3) fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.

(b) It is intended by this chapter that the compensation imposed under Subsection (a) and taxes imposed by the authority not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.
(c) Fares for passenger transportation may be set according to a zone system or to another classification that the authority determines to be reasonable.

(d) This section does not limit the state's power to regulate taxes imposed by an authority or other compensation authorized under this section. The state agrees with holders of bonds issued under this chapter, however, not to alter the power given to an authority under this section to impose taxes, fares, tolls, charges, rents, and other compensation in amounts sufficient to comply with Subsection (a), or to impair the rights and remedies of an authority bondholder, or a person acting on behalf of a bondholder, until the bonds, interest on the bonds, interest on unpaid installments of interest, costs and expenses in connection with an action or proceeding by or on behalf of a bondholder, and other obligations of the authority in connection with the bonds are discharged. (V.A.C.S. Art. 1118y, Secs. 10(j), (k), 15(e) (part).)
of Texas does hereby pledge to and agree with the
purchasers and successive holders of the bonds issued
hereunder that the state will not limit or alter the
powers hereby vested in the authority to establish and
collect such taxes, rates, fares, tolls, charges,
rents, and other compensation as will produce revenues
sufficient to pay the items specified in Subdivisions
(1), (2), (3), and (4), Subsection (j) of this section
or in any way to impair the rights or remedies of the
holders of the bonds or of any person in their behalf
until the bonds, together with the interest thereon,
with interest on unpaid installments of interest, and
all costs and expenses in connection with any action or
proceedings by or on behalf of the bondholders and all
other obligations of the authority in connection with
such bonds are fully met and discharged.

[Sec. 15]
(e) . . . The fares charged for transportation
of passengers by any system may be based upon a zone
system of determining fares or other fare
classification determined by such authority to be
reasonable.

Revised Law
Sec. 452.062. INSURANCE. (a) An authority may insure,
through purchased insurance policies or self-insurance programs, or
both, the legal liability of the authority and of its contractors
and subcontractors arising from the acquisition, construction, or
operation of the programs and facilities of the authority for:
(1) personal or property damage; and
(2) officers' and employees' liability.
(b) An authority may use contracts, rating plans, and risk
management programs designed to encourage accident prevention.
(c) In developing an insurance or self-insurance program, an
authority may consider the peculiar hazards, indemnity standards,
and past and prospective loss and expense experience of the
authority and of its contractors and subcontractors. (V.A.C.S.
Art. 1118y, Sec. 10(u) (part).)

Source Law
(u) The authority shall have the power to
insure, through purchased insurance policies or
self-insurance programs, or both, its legal liability
and the legal liability of its contractors and
subcontractors for damages to the person or property of
others, . . . and for officers' and employees' liability, in each case arising from the acquisition,
construction, or operation of the programs and
facilities of the authority. Authorities may utilize
contracts and rating plans and may implement risk
management programs designed to encourage the prevention of accidents. In developing its insurance or self-insurance program, an authority may take into account the peculiar hazards, indemnity standards, and past and prospective loss and expense experience of the authority itself as well as that of its contractors and subcontractors.

Revised Law

Sec. 452.063. TAX EXEMPTION. The property, revenue, and income of an authority are exempt from state and local taxes. (V.A.C.S. Art. 1118y, Sec. 23 (part).)

Source Law

Sec. 23. The property, revenues, and income of the authority ... shall be exempt from all taxes levied or to be levied by the State of Texas, its political subdivisions, counties, or municipal corporations.

Revised Law

Sec. 452.064. LIGHT RAIL SYSTEM: REGULATORY EXEMPTION. (a) An authority that constructs or operates or contracts with another entity to construct or operate a light rail mass transit system is not subject to any state law regulating or governing the design, construction, or operation of a railroad, railway, street railway, street car, or interurban railway.

(b) For purposes of ownership or transfer of ownership of an interest in real property, a light rail mass transit system line operating on property previously used by a railroad, railway, street railway, or interurban railway is a continuation of existing rail use. (V.A.C.S. Art. 1118y, Sec. 23C.)

Source Law

Sec. 23C. An authority that constructs or operates or contracts with another entity to construct or operate a light rail mass transit system is not subject to any law of the state regulating or governing the design, construction, or operation of a railroad, railway, street railway, street car, or interurban railway. For purposes of ownership or transfer of ownership of any interest in real property, a light rail mass transit system line operating on property previously used by a railroad, railway, street railway, or interurban railway, is a continuation of existing rail use.
Sec. 452.065. ELECTRIC POWER FOR RAIL SYSTEM: CERTAIN

AUTHORITIES. (a) An authority in which the public transportation
system includes or is to include passenger rail service propelled
by electric power and in which all or a part of the service area is
served by the electric power distribution systems of more than one
electric utility company or municipally owned electric utility
system may:

(1) acquire, construct, own, and operate, for the sole
purpose of powering its rail vehicles over its rail transportation
system, sources of electric power, including wholly owned or
partially owned generating facilities of any type and at any
location, including fuel reserves and supplies;

(2) in conjunction with owning a generating facility,
acquire, construct, own, and operate transmission and distribution
facilities needed to deliver power from the generating facility to
its public transportation system; and

(3) contract for the purchase of power and energy with
any supplier of power and energy that serves any part of the
authority's public transportation service area for the sole purpose
of supplying the power and energy necessary to operate the
authority's rail vehicles.

(b) The parties to a contract made under Subsection (a)(3)
may fulfill the terms of the contract notwithstanding any order or
rule of the Public Utility Commission of Texas with respect to
certification, except that any supply of power or energy by one
utility into the service area of another utility must be provided
over transmission or distribution lines owned by the authority.

(V.A.C.S. Art. 1118y, Sec. 10C.)

Source Law

Sec. 10C. (a) This section applies only to an
authority in which the public transportation system
includes or is to include passenger service by rail
propelled by electric power and in which all or a part
of the service area is served by the electric power
distribution systems of more than one electric utility
company or municipally owned electric utility system.
(b) An authority to which this section applies is authorized to purchase, acquire, construct, build, own, and operate, solely for the purpose of powering its rail vehicles over its rail transportation system, sources of electric power, including wholly owned or partially owned generating facilities of any type and at any location, including fuel reserves and supplies. In conjunction with owning a generating facility, the authority may purchase, acquire, construct, build, own, and operate any transmission and distribution facilities needed to deliver power from such generating facility to its public transportation system.

(c) In addition to, in conjunction with, or in lieu of owning a generating facility as authorized by Subsection (b) of this section, the authority may, solely for the purpose of supplying the power and energy necessary to operate the authority's rail vehicles, enter into contracts for the purchase of power and energy with any supplier or suppliers of power and energy that serves any part of the authority's public transportation service area. The parties to any such contract made under this subsection may fulfill the terms of the contract notwithstanding any order or rule of the Public Utility Commission of Texas with respect to certification, except that any supply of power or energy by one utility into the service area of another utility must be provided over transmission or distribution lines owned by the authority.

Revised Law
Sec. 452.066. ELECTIONS. (a) In an election ordered by the executive committee:

(1) the executive committee shall give notice of the election by publication in a newspaper of general circulation in the authority at least once each week for three consecutive weeks, with the first publication occurring at least 21 days before the date of election; and

(2) a resolution ordering the election and the election notice must show, in addition to the requirements of the Election Code, the hours of the election and polling places in election precincts.

(b) Subsection (a) does not apply to an election under Section 452.715.

(c) A copy of the notice of each election held under this chapter shall be furnished to the Texas Transportation Commission and the comptroller. (V.A.C.S. Art. 1118y, Secs. 9(d) (part), 22(a), (b), (c) (part), 24(h)(3) (part).)
[Sec. 9]
(d). . . A copy of the notice of the election and any other election held pursuant to this Act shall be furnished to the State Highways and Public Transportation Commission and the comptroller of public accounts.

Sec. 22. (a) This section governs all elections ordered by the executive committee except elections held under the provisions of Section 9 of this Act.
(b) Notice of an election ordered by the executive committee shall be given by publication once a week for three consecutive weeks with the first publication in a newspaper with general circulation in the authority at least 21 days before the election.
(c) A resolution calling an election and the notice of the election are sufficient if the date and hours of the election, the voting places within voting precincts for the election . . . are specified. . . .

[Sec. 24]
(h) . . .
(3) . . . A copy of the notice of the election and any other election held pursuant to this Act shall be furnished to the State Highway and Public Transportation Commission.

Reviser's Note
(1) Section 22(a), V.A.C.S. Article 1118y, refers to "Section 9 of this Act." The relevant provisions of that statute are codified in this revision by Section 452.715, and the revised law is drafted accordingly.
(2) In addition to the requirements revised in Section 452.066(a)(2), Section 22(c), V.A.C.S. Article 1118y, requires certain information to be included in the election order and notice. Those requirements are omitted from the revised law as unnecessary because the Election Code contains the same requirements. See Sections 3.006 and 4.004, Election Code. Section 22(c) also refers to certain powers which are omitted from the revised law because they are duplicated by provisions of the Election Code. See Sections 42.061 and 42.065, Section 81.001 et seq., and Sections 32.005, 32.011, 32.031, and 1.002, Election Code. The omitted provisions read:
(c) A resolution calling an election and the notice of the election are sufficient if the date ... and the propositions to be voted on are specified. The executive committee may define and declare voting precincts, determine the manner of absentee voting, and prescribe the election officers.

(3) Section 22(d), V.A.C.S. Article 1118y, requires the board to canvass the returns and declare the results of the election as soon as practicable after the election. This subsection is omitted as partially repealed by and partially duplicative of Chapter 67, Election Code. The omitted provision reads as follows:

(d) As soon as practicable after an election, the executive committee shall canvass the returns of the election and declare the results.

(4) Section 22(e), V.A.C.S. Article 1118y, provides that the general election laws apply except as otherwise provided by that section. Sections 9(d) and 24(h) of that article provide that the notice of elections under those sections be given in accordance with general election laws. These provisions are omitted as duplicative of Section 1.002, Election Code, which provides that the Election Code controls all elections in the state unless otherwise provided by the Election Code or otherwise expressly provided by other law. The Election Code was enacted in 1985, after the 1979 enactment date of Section 22, and is intended to be a comprehensive and authoritative compilation of election law except as expressly provided otherwise. The omitted provisions read as follows:

[Sec. 9] (d) Except as otherwise provided in this Act, notice of the election shall be given in accordance with the general election laws ... .

[Sec. 22] (e) Where not otherwise provided in this section, the general election laws apply.
[Sec. 24] (h) ... (3) Except as otherwise provided in this Act, notice of the election shall be given in accordance with the general election laws. ... [Sections 452.067-452.100 reserved for expansion]

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

Revised Law

Sec. 452.101. EXECUTIVE COMMITTEE: POWERS. The executive committee may:

(1) employ and prescribe the compensation for a chief executive officer whom the committee may designate as the general manager or the executive director;

(2) appoint auditors and attorneys and prescribe their duties, compensation, and tenure;

(3) adopt a seal for the authority;

(4) set the fiscal year for the authority;

(5) establish a complete system of accounts for the authority;

(6) designate by resolution an authorized representative of the authority to, according to terms prescribed by the executive committee:

(A) invest authority funds; and

(B) withdraw money from authority accounts for investments; and

(7) designate by resolution an authorized representative of the authority to supervise the substitution of securities pledged to secure authority funds. (V.A.C.S. Art. 1118y, Secs. 18(a) (part), (d).)

Source Law

Sec. 18. (a) ... 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 ...

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

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(4) adopt a seal for the authority;

(5) . . .

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. . . .

(6) fix the fiscal year for the authority;

(7) establish a complete system of
accounts for the authority . . .

(d) The executive committee by resolution may
authorize a designated representative to supervise the
substitution of securities pledged to secure the
authority's funds.

Revisor's Note

Section 18(a), V.A.C.S. Article 1118y, authorizes
the executive committee of an authority to acquire
workers' compensation insurance from "any old-line
legal-reserve insurance company authorized to write
policies in the State of Texas." Section 10(u) of that
article provides, in part, "[t]he authority shall have
the power to insure, through purchased insurance
policies or self-insurance programs, or both, its
legal liability and the legal liability of its
contractors and subcontractors . . . for workers'
compensation . . . ." These provisions are omitted
from the revision as unnecessary. Section 504.011,
Labor Code, enacted after the omitted provisions,
requires each political subdivision of the state to
extend workers' compensation coverage to its employees
by becoming a self-insurer or through a workers'
compensation insurance policy. The references in the
omitted provision to "old-line" and to "legal-reserve"
do not provide meaningful substance. "Old-line" refers
to an established company. Any company authorized to
write insurance in this state would be an established
company. "Legal-reserve" refers to the requirement
that an insurance company have a reserve for the
payment of claims. That requirement is also implicit
for a company qualifying to issue policies in this state. The omitted provisions read:

[Sec. 10]

(u) The authority shall have the power to insure, through purchased insurance policies or self-insurance programs, or both, its legal liability and the legal liability of its contractors and subcontractors . . . for workers' compensation . . . .

Sec. 18. (a) . . .

(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; . . . .

Revised Law

Sec. 452.102. INVESTMENTS. (a) The executive committee may invest authority funds in:

(1) direct and indirect obligations, including treasury receipts evidencing ownership of future interest and principal payments on their receipts, of the United States and of its instrumentalities, including a Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Association, Federal National Mortgage Association, Government National Mortgage Association, Student Loan Marketing Association, and International Bank for Reconstruction and Development;

(2) an obligation that:

(A) is of any state, or of a state agency, or of a county, municipality, or other political subdivision of a state;

(B) pays the principal and interest from taxes or revenues, or both taxes and revenues; and

(C) has a rating of not less than "A" or an equivalent rating by a nationally recognized rating firm;

(3) direct repurchase agreements and reverse repurchase agreements that:

(A) have defined termination dates secured by obligations described by Subdivision (1) or (2); and

(B) are executed with a bank or trust company
organized under the laws of this state, 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;

(4) the common trust funds of a bank and money market
mutual funds that consist solely of assets described by Subdivision
(1) or (2);

(5) a certificate of deposit of a state or national
bank guaranteed or insured by the Federal Deposit Insurance
Corporation or its successor or secured by obligations described by
Subdivision (1) or (2) with a market value of not less than the
principal amount of the certificate;

(6) commercial paper rated "A1" or "Pl" by a
nationally recognized rating firm;

(7) a foreign currency and any currency-swap agreement
to the extent necessary to pay nondollar-denominated obligations;
and

(8) any other investment authorized by resolution of
the executive committee of the authority.

(b) An authority, by contract the terms of which are
appropriate and approved by the executive committee, may enter
into:

(1) an investment agreement relating to any investment
described by this section; and

(2) an interest-rate swap or a similar agreement.

(V.A.C.S. Art. 1118y, Sec. 18(a) (part).)

Source Law

Sec. 18. (a) ... [The executive committee
may:]

... (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
(A) obligations of the United States, or the agencies thereof, or of the states, the District of Columbia, or any political subdivision 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;

(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 Pl 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.

Reviser's Note

Section 18(a)(5)(A), V.A.C.S. Article 1118y, refers to a list of agencies that "include, but are not limited to" the named agencies. "[N]ot limited to" is omitted as unnecessary because Section 311.005(13), Government Code (Code Construction Act), and Section 312.011(19), Government Code, provide that "includes" and "including" are terms of enlargement and not of limitation and do not create a presumption that components not expressed are excluded.
Revised Law

Sec. 452.103. DEPOSITORY; DEPOSIT OF FUNDS. (a) The executive committee shall designate one or more banks as depositories for authority funds.

(b) All funds of an authority that are not otherwise invested shall be deposited in one or more of the authority's depository banks unless otherwise required by an order or resolution authorizing the issuance of an authority bond or note or other contractual undertaking.

(c) Funds in a depository, to the extent that those funds are not insured by the Federal Deposit Insurance Corporation, shall be secured in the manner provided by law for the security of county funds. (V.A.C.S. Art. 1118y, Secs. 18(a) (part), (b), (c).)

Source Law

Sec. 18. (a) ... [The executive committee may:]

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

(b) All funds of the authority that are not otherwise invested shall be deposited in the depository bank or banks unless otherwise required by orders or resolutions authorizing the issuance of the authority's bonds or notes or other contractual undertakings.

(c) To the extent that funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of counties of the State of Texas.

Revisor's Note

Section 18(a), V.A.C.S. Article 1118y, provides that the board may designate depositories. The revised law imposes a duty on the executive committee to designate a depository because all funds of the authority, with certain exceptions, must be deposited in a depository. Every authority has funds subject to the depository requirement.

Revised Law

Sec. 452.104. CHIEF EXECUTIVE: DUTIES. (a) The general
manager or executive director shall administer the daily operation
of an authority.

(b) In conformity with the policy of the executive
committee, the general manager or executive director may:

(1) employ persons to conduct the affairs of the
authority, including any operating or management company; and

(2) remove any employee.

(c) The general manager or executive director shall
prescribe the duties, tenure, and compensation of each person
employed. (V.A.C.S. Art. 1118y, Sec. 18(a) (part).)

Source Law

Sec. 18. (a) . . .
(1) . . . 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 advisors, 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; . . . .

Revisor's Note

Section 18(a), V.A.C.S. Article 1118y, contains a
nonrestrictive list of certain types of professions
that may be employed. The list is omitted as
unnecessary because each of these professions is
included within the general authority to employ persons
to conduct the affairs of the authority.

Revised Law

Sec. 452.105. RULES. - (a) The executive committee by
resolution may adopt rules for the:

(1) safe and efficient operation and maintenance of
the public transportation system;

(2) use of the public transportation system and the
authority's services by the public and the payment of fares, tolls,
and other charges; and
(3) regulation of privileges on property owned, leased, or otherwise controlled by the authority.

(b) The authority shall encourage to the maximum extent feasible the participation of private enterprise.

(c) A notice of each rule adopted by the executive committee shall be published in a newspaper with general circulation in the area in which the authority is located once each week for two consecutive weeks after adoption of the rule. The notice must contain a condensed statement of the substance of the rule and must advise that a copy of the complete text of the rule is filed in the principal office of the authority where the text may be read by any person.

(d) A rule becomes effective 10 days after the date of the second publication of the notice under this section. (V.A.C.S. Art. 1118y, Secs. 10(n) (part), 19.)

Source Law

[Sec. 10]

(n) [The authority] shall by resolution make all rules and regulations governing the use, operation, and maintenance of the system . . . . The authority shall encourage to the maximum extent feasible the participation of private enterprise.

Sec. 19. (a) The executive committee may adopt and enforce reasonable rules and regulations:

(1) to secure and maintain safety and efficiency in the operation and maintenance of its facilities;

(2) governing the use of the authority's facilities and services by the public and the payment of fares, tolls, and charges; and

(3) regulating privileges on any land, easement, right-of-way, rolling stock, or other property owned or controlled by the authority.

(b) A condensed substantive statement of the rules and regulations shall be published after adoption once a week for two consecutive weeks in a newspaper with general circulation in the area in which the authority is located which notice shall advise that the full text of the rules and regulations is on file in the principal office of the authority where it may be read by any interested person. Such rules and regulations shall become effective 10 days after the second publication.

Revisor's Note

Section 10(n), V.A.C.S. Article 1118y, authorizes
an authority, by resolution, to make rules and regulations. The revised law adds that the executive committee of an authority makes the rules because only the executive committee may adopt a resolution. The revised law omits the reference to regulations as unnecessary because Section 311.005(5), Government Code (Code Construction Act), defines "rule" to include a regulation.

Revised Law

Sec. 452.106. PROCUREMENT RULES. (a) The executive committee may adopt and enforce procurement procedures, guidelines, and rules:

(1) defining the terms in and implementing Sections 452.107 and 452.108(a) and (b); or

(2) covering:

(A) the appointment of contracting officers;

(B) the solicitation for and award of contracts;

(C) the resolution of protests and contract disputes;

(D) foreign currency transactions and conversions and foreign exchange rate risk management; or

(E) other aspects of the procurement process for domestic and international contracts.

(b) Sections 452.107 and 452.108(a) and (b) and the procedures, guidelines, or rules adopted under this section confer no rights on an actual or potential bidder, offeror, contractor, or other person except as expressly stated in the procedures, guidelines, or rules. (V.A.C.S. Art. 1118y, Sec. 20(c)(1).)

Source Law

(c)(1) The executive committee may adopt and enforce procurement procedures, guidelines, or rules defining the terms in and implementing the provisions of this section and covering the appointment of contracting officers, the solicitation for and award of contracts, the resolution of protests and contract disputes, foreign currency transactions and conversions, foreign exchange rate risk management, and
all other aspects of the procurement process for domestic and international contracts. This section and procedures, guidelines, or rules adopted under this subsection confer no rights on actual or potential bidders, offerors, contractors, or any other person except as expressly stated in the procedures, guidelines, or rules.

Revised Law

Sec. 452.107. PURCHASES: COMPETITIVE BIDDING. (a) Except as provided by Subsection (c), an authority may not award a contract for construction, services, or property, other than real property, except through the solicitation of competitive sealed bids or proposals ensuring full and open competition.

(b) The authority shall describe in a solicitation each factor to be used to evaluate a bid or proposal and give the factor's relative importance.

(c) The executive committee may authorize the negotiation of a contract without competitive sealed bids or proposals if:

1. the aggregate amount involved in the contract is $15,000 or less;
2. the contract is for construction for which not more than one bid or proposal is received;
3. the contract is for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;
4. the contract is to respond to an emergency for which the public exigency does not permit the delay incident to the competitive process;
5. the contract is for personal or professional services or services for which competitive bidding is precluded by law; or
6. the contract, without regard to form and which may include bonds, notes, loan agreements, or other obligations, is for the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including:

(A) a credit support agreement, such as a line
or letter of credit or other debt guaranty;

(B) a bond, note, debt sale or purchase, trustee, paying agent, remarketing agent, indexing agent, or similar agreement;

(C) an agreement with a securities dealer, broker, or underwriter; and

(D) any other contract or agreement considered by the executive committee to be appropriate or necessary in support of the authority's financing activities. (V.A.C.S. Art. 1118y, Sec. 20(a).)

Source Law

Sec. 20. (a) Except as otherwise provided by this section, all contracts for construction, services, and property, other than real property, shall be awarded after full and open competition based on solicitations for competitive sealed bids or competitive sealed proposals. All solicitations for competitive sealed bids or proposals shall describe all evaluation factors for source selection and the relative importance of each factor. The executive committee may authorize the negotiation of contracts without competitive sealed bids or proposals if:

1. the aggregate amount involved in the contract is $15,000 or less;
2. the contract is for construction for which not more than one bid or proposal is received;
3. the contract is for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;
4. the contract is to respond to an emergency condition for which the public exigency will not permit the delay incident to competition;
5. the contract is for personal or professional services or services for which competitive bidding is precluded by law; or
6. the contract, whether in the form of bonds, notes, other obligations, loan agreements, or otherwise, is for the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including credit support agreements, such as lines or letters of credit or other debt guaranties, bond, note, debt sale or purchase, trustee, paying agent, remarketing agent, indexing agent, or similar agreements, agreements with securities dealers, brokers, or underwriters, and any other contracts or agreements considered by the executive committee to be appropriate or necessary in support of the authority's financing activities.
Sec. 452.108. DURATION OF CONTRACTS AND DELEGATION OF POWERS. (a) An authority may contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by any method, including:

(1) committing current year funds, future tax revenues, or cancellation charges; and

(2) making the contract subject to the future availability of funds.

(b) The executive committee may delegate to designated persons the power to contract for construction, services, and property, within budgeted amounts approved by the executive committee.

(c) An authority consisting of one subregion governed by a subregional board created under Subchapter O 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 Subchapter H. (V.A.C.S. Art. 1118y, Secs. 15(i), 20(b).)

Source Law

[Sec. 15]

(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.

[Sec. 20]

(b) An authority may enter into a contract providing for payment with debt obligations and for performance and payments extending over more than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by committing current year funds, future tax revenues, or cancellation charges, making the contract subject to the future availability of funds, or other methods.

The authority to contract for construction, services,
and property, within budgeted amounts approved by the executive committee, may be delegated to persons designated by the executive committee.

Revisor's Note

Section 15(i), V.A.C.S. Article 1118y, refers to an authority in a subregion having a population in excess of 800,000. The reference is changed to an authority consisting of one subregion governed by a subregional board created under Subchapter O of this chapter because Subchapter O applies to this type of authority. Section 15(i) also refers to Subsection (h) of that section. That statute is codified in this code in Subchapter H, and the revised law is drafted accordingly.

Revised Law

Sec. 452.109. EXPLANATION OF CONTRACT AWARDS IN CERTAIN AUTHORITIES. (a) A subregional board created under Subchapter O that governs an authority consisting of one subregion shall document the reasons for the award of a contract for:

(1) professional services awarded to a person other than the person proposing to deliver the services at the lowest cost; or

(2) construction, services, or property awarded to a person other than the person recommended by the staff of the authority.

(b) The documentation required by Subsection (a) must include all of the reasons for not selecting, as appropriate, the person proposing to deliver the services at the lowest cost or the person recommended by the staff. (V.A.C.S. Art. 1118y, Sec. 20(c)(2)).

Source Law

(2) In an authority consisting of one subregion governed by an executive committee comprised of a subregional board created under Section 6 of this Act, the executive committee shall document the basis for the award of a contract, including all of the
reasons for not selecting the offeror proposing to
deliver services at the lowest cost or the offeror
recommended by the staff, as appropriate, if:

(A) the contract is for professional
services and is awarded to an offeror other than the
one proposing to deliver the services at the lowest
cost; or

(B) the contract is for
construction, services, or property and is awarded to
an offeror other than the one recommended by the staff
of the authority.

Reviser's Note
Section 20(c), V.A.C.S. Article 1118y, refers to
a subregion governed by an executive committee composed
of a subregional board created under Section 6. The
reference to Section 6 is changed to a reference to
Subchapter O of this chapter because Section 6 is
revised in that subchapter.

Revised Law
Sec. 452.110. PEACE OFFICERS. (a) The executive committee
may establish a security force and provide for the employment of
security personnel.

(b) The executive committee may commission an employee of a
security force established under Subsection (a) as a peace officer.

(c) A peace officer commissioned under Subsection (b),
except as provided by Subsection (e), has all the rights,
privileges, obligations, and duties of any other peace officer in
this state while on the property under the control of the authority
or in the actual course and scope of the officer's employment.

(d) A person commissioned under Subsection (b) must give an
oath and make bond for the faithful performance of the officer's
duties as the executive committee may require. The bond shall be
filed with the executive committee and made payable to the
authority. The bond must be approved by the executive committee.

(e) A law enforcement power granted under this section is
subordinate to the law enforcement power of a municipality in which
the power is attempted to be exercised. (V.A.C.S. Art. 1118y,
Secs. 10(s), (t).)
(s) The executive committee of the authority may establish a security force and provide for the employment of security personnel. The executive committee may commission any employee of the security force established under this Act as a peace officer if he is certified as qualified to be a peace officer by the Commission on Law Enforcement Officer Standards and Education. Any person commissioned as a peace officer under this Act shall give an oath and such bond for the faithful performance of his duties as the executive committee may require. The bond shall be approved by the executive committee and made payable to the authority. It shall be filed with the executive committee. Any peace officer commissioned under this Act shall be vested with all the rights, privileges, obligations, and duties of any other peace officer in this state while he is on the property under the control of the authority or in the actual course and scope of his employment.

(t) Any and all law enforcement police powers granted pursuant to this section shall be subordinate to the law enforcement police power of an incorporated city wherein the power is attempted to be exercised.

Revisor's Note

Section 10(s), V.A.C.S. Article 1118y, provides that the peace officer must have been certified by the Commission on Law Enforcement Officer Standards and Education. This requirement is omitted as unnecessary because under Section 415.051, Government Code, a law enforcement agency or governmental entity may not employ a person in a peace officer capacity unless the person has been licensed as required by Chapter 415.

Revised Law

Sec. 452.111. EXTRAORDINARY VOTE REQUIRED IN CERTAIN AUTHORITIES. A subregional board created under Subchapter O that governs an authority consisting of one subregion 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 as described by Section 452.303 in a service plan;
(4) approve the financial plan for the authority; or
(5) enter an agreement under Section 452.055(c).

(V.A.C.S. Art. 1118y, Sec. 10(x).)

Source Law

(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.

Reviser's Note

Section 10(x), V.A.C.S. Article 1118y, refers to the board of an authority in a subregion having a principal city with a population in excess of 800,000. The reference in the revised law is changed to a subregional board created under Subchapter O that governs an authority consisting of one subregion for the reason stated in Reviser's Note (5) to Section 452.056 of this code. Section 10(x), V.A.C.S. Article 1118y, also refers to Subsection (v).

Revised Law

Sec. 452.112. ADVISORY COMMITTEES IN CERTAIN AUTHORITIES.

(a) A subregional board created under Subchapter O that governs an authority consisting of one subregion may appoint one or more committees for any purpose for which a vote of the board is not required.

(b) A 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 on the committee. (V.A.C.S. Art. 1118y, Sec. 10(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.

Section 10(w), V.A.C.S. Article 1118y, refers to the "board of an authority in a subregion having a principal city with a population in excess of 800,000." The reference is changed to a "subregional board created under Subchapter O of this chapter that governs an authority consisting of one subregion" for the reason stated in Reviser's Note (5) to Section 452.056 of this code.

The executive committee shall:

1. receive recommendations for the annual budget from each subregional board;
2. obtain approval from each subregional board of the final annual budget as it pertains to that board's subregion; and
3. make the proposed annual budget available to the governing bodies of each municipality in the authority at least 30 days before the date of the adoption of the final annual budget.

The executive committee shall receive recommendations for the annual budget from each of the subregional boards and shall obtain approval from each subregional board of the final annual budget as it pertains to that board's subregion. The executive committee shall make its proposed annual budget available to the governing bodies of the cities within the authority at least 30 days prior to adoption of the final annual budget.
Sec. 452.114. BUDGET IN AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY. (a) The executive committee of an authority created by a contiguous municipality shall, not later than the 60th day before the beginning of the authority's fiscal year, deliver to the governing body of the contiguous municipality a proposed budget for the authority's fiscal year.

(b) The budget for the authority is not effective until the budget is approved by the governing body of the contiguous municipality. An approved budget is the budget for the authority for the fiscal year, and each change in the budget must be approved by the governing body of the contiguous municipality. (V.A.C.S. Art. 1118y, Sec. 24(g)(4)).

Sec. 452.115. PUBLIC HEARING ON FARE AND SERVICE CHANGES IN CERTAIN AUTHORITIES. (a) An authority consisting of one subregion governed by a subregional board created under Subchapter O must hold a public hearing on:

(1) any fare change;

(2) a service change involving:

(A) 25 percent or more of the number of transit route miles of a transit route; or

(B) 25 percent or more of the number of transit revenue vehicle miles of a transit route, computed daily, for the day of the week for which the change is made; or

(3) the establishment of a new transit route.
(b) When the number of changes of a type described by Subsection (a)(2) in a fiscal year would equal the percentage applicable in that subsection, the public hearing must be held before the change that would equal or exceed the percentage.

(c) In this section:

(1) "Transit route" means a route over which a transit vehicle travels and that is specifically labeled or numbered for the purpose of picking up or discharging passengers at regularly scheduled stops and intervals.

(2) "Transit route mile" means one mile along a transit route regularly traveled by transit vehicles while available for the general public to carry passengers.

(3) "Transit revenue vehicle mile" means one mile traveled by a transit vehicle while the vehicle is available to the general public to carry passengers.

(4) "Service change" means any addition or deletion resulting in the physical realignment of a transit route or a change in the type or frequency of service provided in a specific, regularly scheduled transit route.

(d) The length of a transit route is the distance traversed in traveling completely over the route and returning to the starting point to begin another circuit of the route. If a route is defined in one direction only, the one-directional distance is the route length. (V.A.C.S. Art. 1118y, Secs. 10B(a)(1), (2), (3), (4), (b), (d).)

Source Law

Sec. 10B. (a) For the purposes of this section:

(1) "Transit route" means a route over which a transit vehicle travels which is specifically labelled or numbered for the purpose of picking up or discharging passengers at regularly scheduled stops and intervals.

(2) "Transit route mile" means a distance of one statute mile along a transit route regularly travelled by transit vehicles while available for the general public to carry passengers. The length of a route is the round trip distance traversed in traveling completely over the route and returning to the starting point to begin another circuit of the route. If a route is only defined in one direction, then this one-directional distance is the route length.
(3) "Transit revenue vehicle mile" means a distance of one statute mile travelled while a transit vehicle is available to the general public to carry passengers.

(4) "Service change" means any addition or deletion resulting in the physical realignment of a transit route, or a change in the type of frequency of service provided in a specific, regularly scheduled transit route.

(b) An authority consisting of one subregion governed by an executive committee comprised of the subregional board created in Section 6 must hold a public hearing when:

(1) there is a change in any fare;
(2) there is any change of service of:
   (A) 25 percent or more of the number of transit route miles of a transit route; or
   (B) 25 percent or more of the number of transit revenue vehicle miles of a transit route computed on a daily basis for the day of the week for which the change is made; or
(3) a new transit route is established.

(d) If a number of changes on a route in a fiscal year add up to the percentages in Subsection (b), a public hearing must be held before the last change.

Revisor's Note

(1) Section 10B(a)(4), V.A.C.S. Article 1118y, refers in the definition of "service change" to "in the type of frequency of service." This phrase is revised to read "in the type or frequency of service" to correct an error.

(2) Section 10B(b), V.A.C.S. Article 1118y, refers to Section 6 of the act. That section is revised in Subchapter O of this chapter and the revised law cites that provision.

Revised Law

Sec. 452.116. PUBLIC HEARING ON FARE AND SERVICE CHANGES IN CERTAIN AUTHORITIES: EXCEPTIONS. (a) A public hearing under Section 452.115 is not required for:

(1) a reduced or free promotional fare that is instituted daily or periodically within 180 days;
(2) a headway adjustment of not more than five minutes during peak-hour service and not more than 15 minutes during
non-peak-hour service;

(3) a standard seasonal variation unless the number, timing, or type of the standard seasonal variation changes; or

(4) an emergency or experimental service change in effect for 180 days or less.

(b) In this section, "experimental service change" means an addition of service to an existing transit route or the establishment of a new transit route. (V.A.C.S. Art. 1118y, Secs. 10B(a)(5), (c) (part).)

Source Law

(a) . . .

(5) "Experimental service change" means an addition of service to an existing transit route or the establishment of a new transit route.

(c) A public hearing is not required for:

(1) reduced or free promotional fares which are instituted on a daily basis or periodically within a period of 180 days;
(2) headway adjustments of up to five minutes during peak hour service, and up to 15 minutes during nonpeak hour service;
(3) standard seasonal variations unless the number, timing, or type of standard seasonal variations changes;
(4) an emergency service change in effect for 180 days or less . . .
(5) experimental service changes in effect for 180 days or less . . .

Revisor's Note

(1) Subdivisions (4) and (5) of Section 10B(c), V.A.C.S. Article 1118y, state that a public hearing is required for an emergency or experimental service change that is longer than 180 days. This provision is omitted as unnecessary because the exemption from a public hearing applies only if the change is made for 180 days or less. The omitted provisions read:

(4) . . . A public hearing on the emergency change must be held if the emergency change is to be in effect for more than 180 days and if the change meets the test of Subsection (b)(2) or (3) . . .
(5) . . . The public hearing on an experimental service change is required if the experimental service change remains in effect for more than 180 days and if the change meets the test of
Subsection (b)(2) or (3)...

(2) Section 10B(c)(4), V.A.C.S. Article 1118y, gives examples of emergency service changes. These examples are omitted as unnecessary as they clearly are emergency situations. The omitted provision reads:

(c)...
(4) Examples of emergency service changes include but are not limited to those made because of a power failure for a rail or fixed guideway system, the collapse of a bridge over which bus routes pass, major road or rail construction, inadequate supplies of fuel, or a labor stoppage; . . . .

Revised Law
Sec. 452.117. PUBLIC HEARING ON EXPERIMENTAL SERVICE CHANGE.
A hearing on an experimental service change as described by Section 452.116 to remain in effect for more than 180 days may be held before or during the experimental service change period and satisfies the requirement for a public hearing if the hearing notice required by Section 452.118 states that the experiment may become permanent at the end of the period. If a hearing is not held before or during the experimental service change period, the service that existed before the change must be reinstated at the end of 180 days and a public hearing held in accordance with Section 452.118 before the experimental service may be continued.

(V.A.C.S. Art. 1118y, Sec. 10B(c) (part).)

Source Law
(c)...
(5) The hearing may be held prior to the institution of or during the period of the experimental service change and will satisfy the requirement for a final public hearing if the hearing notice required by Subsection (e) states that the experiment may become permanent at the end of the experimental period. If a hearing is not held prior to or during the period of the experimental service change, the service that existed prior to the change must be reinstated at the end of 180 days and a public hearing held in accordance with Subsection (e) before the experimental service may be continued.
Sec. 452.118. NOTICE OF HEARING ON FARE OR SERVICE CHANGE IN CERTAIN AUTHORITIES. (a) The subregional board shall call a public hearing required by Section 452.115 and:

(1) publish at least 30 days before the date of the hearing notice of the hearing at least once in a newspaper of general circulation in the territory of the authority; and

(2) post notice in each transit vehicle in service on any transit route affected by the proposed change for at least two weeks within 30 days before the date of the hearing.

(b) The notice must contain:

(1) a description of each proposed fare or service change, as appropriate;

(2) the time and place of the hearing; and

(3) if the hearing is required under Section 452.115(b), a description of the latest proposed change and the previous changes.

(c) The requirement of Section 452.115 for a public hearing is satisfied at a public hearing required by federal law if:

(1) the notice requirements of this section are met; and

(2) the proposed fare or service change is addressed at the meeting. (V.A.C.S. Art. 1118y, Secs. 10B(e), (f).)

(e) When a public hearing is required by this section, the executive committee shall call the public hearing and cause notice of the hearing to be published one time in a newspaper of general circulation within the territory of the authority at least 30 days before the date of the hearing and shall cause notice to be posted in each transit vehicle in service on any transit route affected by the proposed change for a period of at least two weeks within 30 days before the date of the hearing. The notice must contain:

(1) a description of the contemplated service changes, or the fare change, as appropriate;

(2) the time and place of the hearing; and

(3) if a hearing required by Subsection (d) is held, a description of the last change being contemplated and the prior changes that were made.

(f) The public hearing requirement of this section will be satisfied if a fare change or change in service is addressed at a public hearing which is...
mandated by federal law. The requirements of Subsection (e) must be followed for the hearing.

Revisor's Note

Section 10B(e)(3), V.A.C.S. Article 1118y, refers to Subsection (d) of Section 10B. That statute is codified as Section 452.115(b) of this code, and the revised law is drafted accordingly.

[Sections 452.119-452.150 reserved for expansion]

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Revised Law

Sec. 452.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN.

(a) An authority may not acquire an interest in real property for a station or terminal complex unless the station or terminal complex is included in the public transportation system in a comprehensive service plan approved by a resolution of the executive committee. A mass transit facility of an authority is not a station or terminal complex under this subchapter unless the facility is included in the authority's comprehensive service plan under this section.

(b) A station or terminal complex may not be included in a public transportation system unless the executive committee first finds that the station or complex:

(1) will encourage and provide for efficient and economical public transportation;

(2) will facilitate access to public transportation and provide for other public transportation purposes;

(3) will reduce vehicular congestion and air pollution in the metropolitan area; and

(4) is reasonably essential to the successful operation of the public transportation system.

(c) On making a finding under Subsection (b), the executive committee may amend the authority's comprehensive service plan to include a station or terminal complex. (V.A.C.S. Art. 1118y, Secs.
(c) Any lands or interests in land acquired for a station or terminal complex must be part of or contained within a station or terminal complex designated as part of the system within a comprehensive service plan approved by resolution of the executive committee. Before a station or terminal complex may be included in the system, the executive committee must find and determine that the proposed station or terminal complex will encourage and provide for efficient and economical public transportation service, will facilitate access to public transportation service and provide other public transportation purposes, will reduce vehicular congestion and air pollution in the metropolitan area, and is reasonably essential to the successful operation of the system. The executive committee may amend its comprehensive service plan to include other station or terminal complexes upon making these findings.

(f) No station or public transportation facility may be considered a "station or terminal complex" governed by this section unless it has been designated as such in the comprehensive service plan pursuant to the specific authority granted by this section.

Revised Law
Sec. 452.152. STATION OR TERMINAL COMPLEX: FACILITIES. A station or terminal complex of an authority:
(1) must include adequate provision for the transfer of passengers among the various means of transportation available to the complex; and
(2) may include provision for residential, institutional, recreational, commercial, and industrial facilities.

Source Law
(d) Any station or terminal complex shall include adequate provisions for the transfer of passengers between the various modes of transportation available to the complex. A complex may include provisions for commercial, residential, recreational, institutional, and industrial facilities, . . . .

Revised Law
Sec. 452.153. APPROVAL OF MUNICIPALITY. The location of a station or terminal complex in a municipality or in the extraterritorial jurisdiction of a municipality must be approved,
as to conformity with the comprehensive or general plan of the
municipality, by a motion, resolution, or ordinance adopted by the
governing body of the municipality. (V.A.C.S. Art. 1118y, Sec.
14(d) (part).)

Source Law

(d) ... If a proposed station or terminal
complex is to be located within the city limits or
extraterritorial jurisdiction of a city or town, the
governing body of the city or town must approve the
location of the complex as to conform with the
comprehensive or general plan of the city or town by
motion, resolution, or ordinance duly adopted.

Revised Law

Sec. 452.154. STATION OR TERMINAL COMPLEX: LIMITATION ON
REAL PROPERTY ACQUISITION BY CONDEMNATION. (a) An interest in
real property that is more than 1,500 feet from the center point of
a station or terminal complex may not be acquired for a station or
terminal complex facility by eminent domain.

(b) Before the commencement of an eminent domain proceeding
to acquire an interest in real property for a station or terminal
complex facility, the executive committee shall designate the
center point of the station or terminal complex. (V.A.C.S.
Art. 1118y, Sec. 14(d) (part).)

Source Law

(d) ... except that no lands or interests in
land more than 1,500 feet in distance from the center
point of the complex may be acquired for the facilities
by eminent domain proceedings, and the executive
committee shall designate the center point prior to the
commencement of eminent domain proceedings. . . .

Revised Law

Sec. 452.155. TRANSFER OF REAL PROPERTY IN STATION OR
TERMINAL COMPLEX. (a) An authority may transfer to any person by
any means, including a sale or lease, an interest in real property
in a station or terminal complex and may contract with respect to
it, in accordance with the comprehensive service plan approved by
the executive committee, and subject to terms:
(1) the executive committee finds to be in the public interest or necessary to carry out this section; and

(2) specified in the instrument transferring the title or right of use.

(b) A transfer must be at the fair value of the interest transferred considering the use designated for the real property in the authority's comprehensive service plan.

(c) A person from whom property offered for sale under this section was acquired by eminent domain or the threat of eminent domain has a first right to purchase the property at the price for which the property is offered to the public. (V.A.C.S. Art. 1118y, Secs. 14(b) (part), (e).)

Source Law

(b) The authority . . . and may sell, lease, or otherwise transfer the same or any part thereof to individuals, corporations, or governmental entities, subject to the restrictions provided in this section.

(e) The authority may sell, lease, or otherwise transfer lands or interests in land acquired within a station or terminal complex and may enter into contracts with respect to it in accordance with the comprehensive service plan approved by the executive committee, subject to such covenants, conditions, and restrictions, including covenants running with the land and obligations to commence construction within a specified time, as the executive committee may deem to be in the public interest or necessary to carry out the purposes of this section, all of which shall be incorporated into the instrument transferring or conveying title or right of use. Any lease, sale, or transfer shall be at fair value taking into account the use designated for the land in the comprehensive service plan for the system and the restrictions on and the covenants, conditions, and obligations assumed by the purchaser, lessee, or transferee. However, if the authority offers the property for sale, the original owner from whom the property was acquired by eminent domain proceedings or through threat of eminent domain proceedings has the first right to repurchase at the price at which it is offered to the public.

Revisor's Note

Section 14(e), V.A.C.S. Article 1118y, refers to a transfer being "subject to such covenants, conditions, and restrictions, including covenants running with the land and obligations to commence
construction within a specified time, as the executive
commitee may deem to be in the public interest or
necessary to carry out the purposes of this section,
all of which shall be incorporated into the instrument
transferring or conveying title or right of use." The
subsection also refers to the sale being at fair value
"taking into account ... the restrictions on and the
covenants, conditions, and obligations assumed by the
purchaser, lessee, or transferee." The references to
covenants, conditions, restrictions, and obligations
are omitted as unnecessary because the authority is not
limited by this or other law from imposing those terms
and, to the extent that those terms constitute a legal
obligation, may not disregard them.

[Sections 452.156-452.200 reserved for expansion]

SUBCHAPTER E. SPECIAL PROGRAMS AND SERVICES

Revised Law

Sec. 452.201. MINORITY AND WOMEN-OWNED BUSINESS PROGRAM IN CERTAIN AUTHORITIES. (a) An authority consisting of one subregion
governed by a subregional board created under Subchapter O may establish a program reasonably designed to increase the
participation of minority and women-owned business enterprises in contracts awarded by the authority. If the program is established,
the board shall provide a program outlining acceptable assistance
to be given minority and women-owned business enterprises in the
area served by the authority to achieve the purposes of the
program.

(b) An overall minority and women-owned business enterprise contract percentage goal may be established as a part of the
program only after reasonable consultation with affected organizations and a qualified independent source and after public
comment. In establishing a goal, the authority shall consider the various types of construction contracts the authority expects to

award and the effect of market conditions on the feasibility of attaining the goals.

(c) The authority shall periodically review the effectiveness of the program and the reasonableness of the program goals.

(d) This section does not affect Sections 452.106, 452.107, and 452.108(a) and (b), but prospective bidders may be required to meet uniform standards designed to assure a reasonable degree of participation by minority and women-owned business enterprises in the performance of any contract.

(e) In this section:

(1) "Minority" includes blacks, Hispanics, Asian Americans, American Indians, and Alaska natives.

(2) "Minority business enterprise" means a small business concern at least 51 percent of which is owned and controlled in management and daily operations by members of one or more minorities.

(3) "Women-owned business enterprise" means a small business concern at least 51 percent of which is owned and controlled in management and daily operations by one or more women.

(V.A.C.S. Art. 1118y, Secs. 20(d)(1), (2), (3).)

Source Law

(d)(1) An authority in a subregion having a principal city with a population in excess of 800,000 may adopt a program or programs designed to reasonably increase participation by minority and women-owned business enterprises in public contract awards. For purposes of this subsection, the term "minority business enterprise" means a small business concern, at least 51 percent of which is both owned and controlled in management and daily operations by minorities. The term "minority" includes Blacks, Hispanics, Asian Americans, American Indians, and Alaska Natives. The term "women-owned business enterprise" means a small business concern, at least 51 percent of which is both owned and controlled in management and daily operations by a woman or women. If as part of a program described by this paragraph, the governing body of such an authority establishes overall minority business enterprise or women business enterprise contract percentage goals, such overall goals shall be established after reasonable consultation with affected organizations and a qualified independent source and after public comment. In establishing such goals, the authority shall consider the various types of
construction contracts the authority expects to award and the effect of market conditions on the attainability of the goals. The authority shall periodically review the effectiveness of its program and the reasonableness of its goals.

(2) The provisions of this Act relating to competitive bidding and the award of contracts are not affected by this subsection, but all prospective bidders may be required to meet uniform standards designed to assure a reasonable degree of participation by minority and women-owned business enterprises in the performance of any public contract.

(3) If the governing body of an authority described by Subdivision (1) of this subsection adopts a program described by that subdivision, the governing body must also provide a program outlining acceptable assistance that may be provided to minority and women business enterprises in the service area to achieve the purposes of the program described by Subsection (d)(1).

Revisor's Note

Section 20(d), V.A.C.S. Article 1118y, refers to an "authority in a subregion having a principal city with a population in excess of 800,000." The reference is changed to an "authority consisting of one subregion governed by a subregional board created under Subchapter O" for the reason stated in Revisor's Note (5) to Section 452.056 of this code.

Revised Law

Sec. 452.202. TRANSPORTATION FOR JOBS PROGRAM PARTICIPANTS. (a) An authority shall contract with the Texas Department of Human Services to provide, in accordance with federal law, transportation services to a person who:

(1) resides in the area served by the authority;

(2) is receiving financial assistance under Chapter 31, Human Resources Code; and

(3) is registered in the jobs opportunities and basic skills training program under Part F, Subchapter IV, Social Security Act (42 U.S.C. Section 682).

(b) The contract must include provisions to ensure that:

(1) the authority is required to provide transportation services only to a location:

(A) to which the person travels in connection
with participation in the jobs opportunities and basic skills training program; and

(B) that the authority serves under the authority's authorized rate structure and existing services;

(2) the authority provides directly to the Texas Department of Human Services trip vouchers for distribution by the department to a person who is eligible under this section to receive transportation services;

(3) the Texas Department of Human Services reimburses the authority for allowable costs, at the applicable federal matching rate; and

(4) the Texas Department of Human Services may return undistributed trip vouchers to the authority.

(c) An authority shall certify the amount of public funds spent by the authority under this section for the purpose of obtaining federal funds under the jobs opportunities and basic skills training program. (V.A.C.S. Art. 1118y, Sec. 21A.)

Source Law

Sec. 21A. (a) An authority shall, in accordance with federal law, provide transportation services to a person who:

(1) is receiving financial assistance under Chapter 31, Human Resources Code;

(2) is registered in the jobs opportunities and basic skills (JOBS) training program under Part F, Subchapter IV, Social Security Act (42 U.S.C. Section 682); and

(3) resides in an area served by the authority.

(b) An authority shall enter into a contract with the Texas Department of Human Services to provide the transportation services required under this section. The terms of the contract must ensure that:

(1) the authority is required to provide transportation services only to a location that relates to the person's participation in the JOBS program and that is in the area served by the authority's authorized rate structure and existing services;

(2) the authority is required to provide directly to the Texas Department of Human Services trip vouchers for distribution by the department to a person who is eligible to receive transportation services under this section;

(3) the Texas Department of Human Services reimburses the authority at the applicable federal match rate for allowable costs; and

(4) the Texas Department of Human Services may return to the authority for reimbursement any undistributed trip vouchers.
(c) An authority shall certify the amount of public funds expended by the authority under this section for the purpose of obtaining federal funds under the JOBS program.

Revised Law

Sec. 452.203. WAIVER OF FEDERAL REQUIREMENTS. If, before implementing Section 452.202, the Texas Department of Human Services determines that a waiver or authorization from a federal agency is necessary for implementation, the Texas Department of Human Services shall request the waiver or authorization, and the department and an authority may delay implementing Section 452.202 until the waiver or authorization is granted. (Sec. 4 (part), Ch. 1030, Acts 73rd Leg., R.S., 1993.)

Source Law

Sec. 4. If, before implementing the requirements of Sections . . . 2 . . . of this Act, the Texas Department of Human Services determines that a waiver or authorization from a federal agency is necessary for implementation, the Texas Department of Human Services shall request the waiver or authorization, and the department and each mass transit authority or department may delay implementing those provisions until the waiver or authorization is granted.

[Sections 452.204-452.250 reserved for expansion]

SUBCHAPTER F. ALTERNATIVE FUELS USE PROGRAM

Revised Law

Sec. 452.251. PURCHASE AND PERCENT OF VEHICLES USING ALTERNATIVE FUELS. (a) An authority may not purchase or lease a motor vehicle that is not capable of using compressed natural gas or another alternative fuel the use of which results in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or combinations of those materials.

(b) After August 31, 1996, at least 50 percent of the fleet vehicles operated by an authority must be capable of using compressed natural gas or another alternative fuel.

(b-1) At least 30 percent of the fleet vehicles operated by
an authority must be capable of using compressed natural gas or another alternative fuel. This subsection expires September 1, 1996.

(c) The Texas Natural Resource Conservation Commission, before 1997, shall review the alternative fuels use program under this section. If the commission determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, the authority shall achieve a percentage of fleet vehicles capable of using compressed natural gas or other alternative fuels of at least 90 percent of the number of fleet vehicles operated after August 31, 1998. (V.A.C.S. Art. 1118y, Secs. 20(e)(1), (f)(1), (2).)

Source Law

(e)(1) An authority may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using compressed natural gas or other alternative fuels which result in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof.

(f)(1) An authority shall achieve the following percentages of vehicles capable of using compressed natural gas or other alternative fuels by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and
(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Air Control Board must review this alternative fuel use program by December 31, 1996, and, if the Texas Air Control Board determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, the authority shall achieve a percentage of fleet vehicles capable of using compressed natural gas or other alternative fuels equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

Revisor's Note

Section 20(f), V.A.C.S. Article 1118y, refers to the "Texas Air Control Board." The name of the agency was changed and the functions of the agency were transferred to the Texas Natural Resource Conservation Commission.
Commission by Section 1.086, Chapter 3, Acts of the
72nd Legislature, 1st Called Session, 1991. The
revised law conforms to that change.

Revised Law

Sec. 452.252. ALTERNATIVE FUELS USE PROGRAM: EXCEPTIONS.

(a) An authority may make exceptions to the requirements of
Section 452.251(a) if the authority certifies the facts described
by Subsection (b).

(b) A certification under this section must state that:

(1) the authority's vehicles will be operating
primarily in an area in which neither the authority nor a supplier
has or can reasonably be expected to establish a central refueling
station for compressed natural gas or other alternative fuels; or

(2) the authority is unable to acquire or be provided
equipment or refueling facilities necessary to operate vehicles
using compressed natural gas or other alternative fuels at a
projected cost that is reasonably expected to result in no greater
net cost than the continued use of traditional gasoline or diesel
fuel measured over the expected useful life of the equipment or
facilities supplied. (V.A.C.S. Art. 1118y, Sec. 20(e)(4).)

Source Law

(4) An authority may make exceptions to
the requirements of this subsection if the authority
certifies that:

(A) the authority's vehicles will be
operating primarily in an area in which neither the
authority nor a supplier has or can reasonably be
expected to establish a central refueling station for
compressed natural gas or other alternative fuels; or

(B) the authority is unable to
acquire or be provided equipment or refueling
facilities necessary to operate vehicles using
compressed natural gas or other alternative fuels at a
projected cost that is reasonably expected to result in
no greater net costs than the continued use of
traditional gasoline or diesel fuels measured over the
expected useful life of the equipment or facilities supplied.

Revised Law

Sec. 452.253. ALTERNATIVE FUELS EQUIPMENT AND FACILITIES.
(a) In addition to other methods authorized by law, an authority may acquire or be provided equipment or refueling facilities by an arrangement, including a gift or loan, under a service contract for the supply of compressed natural gas or other alternative fuels.

(b) If an authority acquires or is provided equipment or facilities as authorized by Subsection (a), the supplier is entitled, under the supply contract, to recover the cost of giving, loaning, or providing the equipment or facilities through the fuel charges. (V.A.C.S. Art. 1118y, Secs. 20(e)(2), (3).)

Source Law

(2) An authority may acquire or be provided equipment or refueling facilities necessary to operate such vehicles using compressed natural gas or other alternative fuels:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or other arrangement pursuant to a service contract for the supply of compressed natural gas or other alternative fuels.

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of compressed natural gas or other alternative fuels, the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

Revisor's Note

The specific authorization in Sections 20(e)(2)(A) and (B), V.A.C.S. Article 1118y, for an authority to purchase or lease, or acquire by gift or loan, alternative fuel equipment and facilities is omitted from the revised law in this section because that authority is granted generally by Sections 10(a) and (d), V.A.C.S. Article 1118y, revised as Section 452.054 of this code, and need not be repeated in this section.
Sec. 452.254. ALTERNATIVE FUELS USE PROGRAM: VEHICLES COVERED AND SAFETY. (a) In developing a compressed natural gas or other alternative fuels use program, the authority should work with vehicle manufacturers and converters, fuel distributors, and others to specify the vehicles to be covered considering relevant factors, including vehicle range, specialty vehicle uses, fuel availability, vehicle manufacturing and conversion capability, safety, and resale value.

(b) The authority may meet the percentage requirements of Section 452.251 by:

1. purchasing new vehicles; or
2. converting existing vehicles, in conformity with federal and state requirements and applicable safety laws, to alternative fuels use.

(c) In purchasing, leasing, maintaining, or converting a vehicle for compressed natural gas or other alternative fuels use, the authority shall comply with all applicable safety standards adopted by the United States Department of Transportation or the Railroad Commission of Texas or their successor agencies.

(V.A.C.S. Art. 1118y, Secs. 20(g), (h).)

Source Law

(g) An authority in the development of the compressed natural gas or other alternative fuel use program should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. The authority may meet the percentage requirements of this section through the purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws, to use the alternative fuels.

(h) The authority in purchasing, leasing, maintaining, or converting vehicles for compressed natural gas or other alternative fuels use shall comply with all applicable safety standards promulgated by the United States Department of Transportation and the Railroad Commission of Texas or their successor agencies.
Sec. 452.255. ALTERNATIVE FUELS USE PROGRAM: REPORTS. (a) On or before December 31 of each year, an authority shall file an annual report with the Texas Natural Resource Conservation Commission showing:

(1) purchases, leases, and conversions of motor vehicles;

(2) the amount of compressed natural gas and other alternative fuels used; and

(3) any other information required by the commission relevant to the alternative fuels use program.

(b) The commission may require reporting from an authority to document air quality benefits from an alternative fuels use program. (V.A.C.S. Art. 1118y, Secs. 20(f)(3), (i).)

Source Law

(f) . . .

(3) The authority must submit to the Texas Air Control Board an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of compressed natural gas or other alternative fuels and any other relevant information the Texas Air Control Board may require.

(i) The Texas Air Control Board may require reasonable reporting from any authority to document the air quality benefits from alternative fuel use programs.

Revisor's Note

Sections 20(f)(3) and (i), V.A.C.S. Article 1118y, refer to the "Texas Air Control Board." The name of the agency was changed and the functions of the agency were transferred to the Texas Natural Resource Conservation Commission by Section 1.086, Chapter 3, Acts of the 72nd Legislature, 1st Called Session, 1991. The revised law conforms to that change.

[Sections 452.256-452.300 reserved for expansion]
SUBCHAPTER G. SERVICE PLANS

Revised Law
Sec. 452.301. IMPLEMENTATION OF SERVICE PLAN: CERTAIN AUTHORITIES. A subregional board created under Subchapter O that governs an authority consisting of one subregion shall implement the service plan as approved under Section 452.713 without change unless the change is made in the manner required by this subchapter. (V.A.C.S. Art. 1118y, Sec. 10A(a).)

Source Law
Sec. 10A. (a) After the confirmation election in an authority consisting of one subregion governed by an executive committee comprised of the subregional board created in Section 6, the executive committee shall implement the service plan as finally approved by the interim executive committee. No change may be made in the service plan unless the executive committee follows the procedures provided in this section.

Revisor's Note
Section 10A(a), V.A.C.S. Article 1118y, refers to a subregion governed by a subregional board created under Section 6. The reference to Section 6 is changed to a reference to Subchapter O of this chapter because Section 6 is revised as Subchapter O.

Revised Law
Sec. 452.302. CHANGE IN SERVICE PLAN: GENERAL RULE. A service plan may be changed by a majority vote of the members of the subregional board described by Section 452.301 at a meeting at which a quorum of the board is present. (V.A.C.S. Art. 1118y, Sec. 10A(f) (part); New.)

Source Law
(f) ... Other changes in the service plan may be approved by a majority vote of the members present at a meeting without the notice described in Subsection (c) and without a public hearing.

Revisor's Note
(1) The revised law adds a reference to a quorum
in order to preclude the interpretation that this section constitutes an exemption to the general rule that a board cannot meet in the absence of a quorum.

(2) Section 10A(f), V.A.C.S. Article 1118y, provides that the meeting may be held without the notice otherwise required by that section and without a hearing. This provision is omitted as unnecessary. Section 10A requires a notice and hearing only for a major change in the service plan, which requirement is revised in Sections 452.303 and 452.304 of this code.

Revised Law

Sec. 452.303. MAJOR SERVICE PLAN CHANGE: NOTICE AND HEARING. (a) The subregional board of an authority described by Section 452.301 may not, without holding a public hearing on the proposed change, consider a change in the service plan that would:

(1) change the location of a right-of-way of a fixed guideway system;
(2) change or add a width of a right-of-way of a fixed guideway system;
(3) change a grade separation or add a grade separation to a fixed guideway system;
(4) move the location of a station of a fixed guideway system;
(5) reclassify the aerial, at-grade, or subgrade vertical alignment of a fixed guideway or establish the vertical alignment of a fixed guideway;
(6) move the location of:
   (A) a parking lot;
   (B) a maintenance facility; or
   (C) an off-street transfer center;
(7) add a facility listed in Subdivisions (1)-(6); or
(8) add a route for a fixed guideway system.

(b) Before holding a public hearing required under
Subsection (a), the subregional board shall in writing notify:

(1) each owner of real property located within 400 feet, including streets and alleys, of the boundary of the proposed right-of-way or the boundary of property on which the facility is proposed to be located; and

(2) the governing body of each municipality and the commissioners court of each county in which the changed or additional right-of-way or facility is to be located.

(c) The notice required by this section must be given to each governing body and to the property owners shown by the municipal or county tax roll at least 20 days before the date of the hearing by depositing the notice in the United States mail.

(V.A.C.S. Art. 1118y, Secs. 10A(b), (c), (d), (e).)

Source Law

(b) For the purposes of this section "major change in the service plan" means:

(1) one or more of the following changes in the provisions of the service plan for a fixed guideway system:

(A) a change in the location of the right-of-way;

(B) a change in the width of the right-of-way if a width is stated in the service plan or the establishment of a width if no width is stated;

(C) a change in grade separation if a grade separation is stated in the service plan or the establishment of a grade separation if no grade separation is stated;

(D) a change that moves the location of a station; or

(E) a change causing the vertical alignment of a guideway to be redefined between the classification of aerial, at-grade, or subgrade if a vertical alignment is stated in the service plan or the establishment of a vertical alignment if no vertical alignment is stated; or

(2) a change that moves the location, as specified in the service plan, of one of the following facilities:

(A) a parking lot;

(B) a maintenance facility; or

(C) an off-street transfer center; or

(3) the addition of a facility listed in Subsection (b)(1) or (2) or the addition of a route for a fixed guideway system.

(c) Before approving a major change in the service plan, the executive committee shall cause written notice of a public hearing on the proposed change to be sent to:

(1) all owners of real property lying within 400 feet of the proposed boundary of the right-of-way or the proposed boundary of property on
which the facility is to be located; and
(2) the governing body of each city and
county in which the changed or additional right-of-way
or facility is to be located.
(d) The measurement of the 400 feet includes
streets and alleys.
(e) The notice must be given not less than 20
days before the date of the hearing by depositing the
notice properly addressed and postage paid in the
United States mail to each governing body and to the
property owners as indicated on the last approved city
or county tax roll.

Revisor's Note
Sections 10A(c) and (e), V.A.C.S. Article 1118y,
refer to a "city." The revised law substitutes the
term "municipality" for "city" because that is the term
used in the Local Government Code.

Revised Law
Sec. 452.304. ADOPTION OF MAJOR SERVICE PLAN CHANGE. (a)
After a public hearing, the subregional board described by Section
452.301 may approve a change described by Section 452.303(a) in the
service plan by a favorable vote of two-thirds of the members
present.
(b) If the change in the plan includes the addition of a
fixed guideway route, including a route to be added under an
agreement under Section 452.060, the governing body of each
municipality through which the route would pass must approve the
route before the subregional board may add the route to the service
plan.
(c) The subregional board shall give notice of a change in
the service plan adopted under this section to:
(1) the commissioners court of each county in which
the changed or additional right-of-way or facility is to be located
if the change is located in an unincorporated area; and
(2) the governing body of each municipality in which
the changed or additional right-of-way or facility is to be
located. (V.A.C.S. Art. 1118y, Secs. 10A(f) (part), (g), (h).)
(f) After a public hearing, the executive committee may approve a major change in the service plan by a favorable vote of two-thirds of the members present. . . .

(g) After approval of a major change in the service plan, the executive committee shall give notice that the change has been approved to:
   (1) the governing body of each county in which the changed or additional right-of-way or facility is to be located if the change is located in an unincorporated area; and
   (2) the governing body of each city in which the changed or additional right-of-way or facility is to be located.

(h) If a major change in the service plan includes the addition of a fixed guideway route, including a route to be added pursuant to an agreement provided for in Section 10(i) of this Act, the governing bodies of each city through which the route would pass, must approve the route before the executive committee may add the route to the service plan.

Revisor's Note

(1) Section 10A(h), V.A.C.S. Article 1118y, refers to Section 10(i) of that article, which is revised as Section 452.060 of this code, and the revised law reflects that citation.

(2) Section 10A(i), V.A.C.S. Article 1118y, provides that Section 10A prevails to the extent of conflict over Section 10(n), revised in this code in part as Section 452.105. Section 10A(i) is omitted as unnecessary because the two provisions do not conflict. Section 10(n) authorizes the executive committee to make rules. Section 10A adds limitations to the making of certain rules. The omitted provision reads:

   (i) If there is a conflict between this section and Section 10(n), this section shall control.

Revised Law

Sec. 452.305. SERVICE PLAN CHANGE: AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY. The service plan of an authority created by a contiguous municipality and confirmed may be changed only with the approval of the governing body of the contiguous municipality.

(V.A.C.S. Art. 1118y, Sec. 24(h)(1) (part).)
(h)(1) If the creation of a subregional transportation authority is confirmed at the election, the service plan may be changed only with the approval of the governing body of the contiguous city.

[Sections 452.306-452.350 reserved for expansion]

SUBCHAPTER H. BONDS

Revised Law

Sec. 452.351. DEFINITION. In this subchapter, "bond" includes a note. (New.)

Revisor's Note

Section 15 of V.A.C.S. Article 1118y uses "bonds and notes" throughout the section. As a drafting convenience, the revised law adds a definition of "bond" so that a bond includes a note.

Revised Law

Sec. 452.352. POWER TO ISSUE BONDS. (a) An authority may issue bonds at any time and for any amounts it considers necessary or appropriate for:

(1) the acquisition, construction, repair, equipping, improvement, or extension of its public transportation system; or

(2) creating or funding self-insurance or retirement or pension fund reserves.

(b) A bond any portion of which is secured by a pledge of sales and use tax revenues and that has a maturity longer than five years from the date of issuance may not be issued by an authority until an election has been held and the proposition proposing the issue has been approved by a majority of the votes received on the issue in accordance with either Section 452.362 or 452.363.

(c) A subregional authority created by a contiguous municipality may not issue a document of indebtedness, including a bond, unless the document is approved by the governing body of the contiguous city.
(d) Subsection (b) does not apply to refunding bonds or bonds described by Subsection (a)(2). (V.A.C.S. Art. 1118y, Secs. 15(a) (part), (h) (part), 24(j) (part).)

Source Law

Sec. 15. (a) . . . The authority, however, shall have the full power to issue bonds and notes from time to time and in such amounts as it shall consider necessary or appropriate for the acquisition, purchase, construction, reconstruction, repair, equipping, improvement, or extension of the transportation system and all properties thereof whether real, personal, or mixed. . . .

(h) Bonds and notes that are wholly or partially secured by a pledge of sales and use tax revenues and that have a maturity longer than five years from the date of issue (other than bonds or notes that are issued for the purposes of refunding any outstanding bonds or notes, and other than bonds or notes that are issued for the purpose of creating or funding self-insurance or retirement and pension fund reserves, which purposes are hereby authorized) may not be issued by an authority until an election has been held and favorably carried by a majority vote of the qualified voters of the authority voting thereat in accordance with either Subdivision (1) or Subdivision (2) of this subsection. . . .

[Sec. 24] (j) . . . The subregional transportation authority may not issue a bond, note, or other document of indebtedness unless the bond, note, or document has been approved by the governing body of the contiguous city.

Revisor's Note

(1) Section 15(a), V.A.C.S. Article 1118y, refers to "the transportation system and all properties thereof whether real, personal, or mixed." The reference to the kinds of property in a system are omitted as unnecessary because "public transportation system" is defined in Section 452.001 of this code to include all the property of an authority. The references to "purchase" and to "reconstruction" are also omitted because those terms are included respectively in "acquisition" and "construction."

(2) Section 15(h), V.A.C.S. Article 1118y, refers to Subdivisions (1) or (2) of this subsection,
which subdivisions are revised by Sections 452.362 and 452.363 of this code, and the revised law reflects that citation.

(3) Section 24(j), V.A.C.S. Article 1118y, provides that indebtedness shall be issued in the name of a subregional authority and is an obligation of the authority. This provision is omitted from the revised law as unnecessary. A subregional authority created by a contiguous municipality is a separate authority and all notes and obligations issued by the authority are notes and obligations of the authority without an express statement to that effect. The omitted provision reads:

(j) ... A bond, note, or other document of indebtedness issued by the subregional transportation authority under Section 15 of this Act or another law of this state shall be issued in the name of the subregional transportation authority and is solely the obligation of the subregional transportation authority. . . .

Revised Law
Sec. 452.353. BOND TERMS. (a) An authority's bonds are fully negotiable. An authority may make the bonds redeemable before maturity at the price and subject to the terms and conditions that are provided in the authority's resolution authorizing the bonds.

(b) A revenue bond indenture may limit a power of the authority provided by Section 452.052, 452.054, 452.055(a), (b), or (c), 452.056(a) or (b), 452.057, 452.058, 452.059, 452.060, 452.061(a), (b), (d), or 452.062, as long as the bonds issued under the indenture are outstanding. (V.A.C.S. Art. 1118y, Secs. 10(1)(part), 15(a) (part), (c) (part).)

Source Law
[Sec. 10]

(1) ... Any revenue bond indenture may provide limitations upon the exercise of the powers stated in this section and such limitations shall apply so long as any of the revenue bonds issued pursuant to
such indenture are outstanding and unpaid.

Sec. 15. (a) . . . All such bonds and notes
shall be fully negotiable and may be made redeemable
before maturity at the option of the issuing authority
at such price or prices and under such terms and
conditions as may be fixed by the issuing authority in
the resolution authorizing such bonds or notes . . . .

(c) . . . and to prescribe the terms and
provisions of such bonds and notes in any manner not
inconsistent with the provisions of this Act. . . .

Revisor's Note

(1) Section 10(l), V.A.C.S. Article 1118y,
refers to "powers stated in this section." The revised
law substitutes cross-references to the sections in the
revised chapter that correspond to the powers in
Section 10.

(2) Section 15(c), V.A.C.S. Article 1118y,
provides in part that the terms and conditions of the
bonds provided by the executive committee may not be
"inconsistent with the provisions of this Act." This
limitation is omitted as unnecessary because the
executive committee, even without an express
limitation, may not impose conditions contrary to the
law.

Revised Law

Sec. 452.354. SALE. An authority's bonds may be sold at a
public or private sale as determined by the executive committee to
be the more advantageous. (V.A.C.S. Art. 1118y, Sec. 15(a)
(part).)

Source Law

(a) . . . and may be sold at public or private
sale whichever the executive committee may deem more
advantageous.

Revised Law

Sec. 452.355. APPROVAL; REGISTRATION. (a) An authority's
bonds and the records relating to their issuance shall be
submitted to the attorney general for examination before the bonds may be delivered.

(b) If the attorney general finds that the bonds have been issued in conformity with the constitution and this chapter and that the bonds will be a binding obligation of the issuing authority, the attorney general shall approve the bonds.

(c) After the bonds are approved by the attorney general, the comptroller shall register the bonds. (V.A.C.S. Art. 1118y, Sec. 15(b) (part).)

Source Law

(b) Prior to delivery, all bonds and notes authorized to be issued hereunder and the records relating to their issuance shall be submitted to the Attorney General of Texas for examination, and if he finds that they have been issued in accordance with the constitution and this Act and that they will be binding obligations of the authority, he shall approve them, and thereupon they shall be registered by the Comptroller of Public Accounts of the State of Texas, . . . .

Revisor's Note

Section 15(b), V.A.C.S. Article 1118y, refers to the "Comptroller of Public Accounts of the State of Texas." The revised law refers only to the "comptroller" because that term is defined by Section 312.011, Government Code, to include the state comptroller.

Revised Law

Sec. 452.356. INCONTESTABILITY. Bonds are incontestable after they are:

(1) approved by the attorney general;

(2) registered by the comptroller; and

(3) sold and delivered to the purchaser. (V.A.C.S. Art. 1118y, Sec. 15(b) (part).)

Source Law

(b) . . . and after such approval and registration and the sale and delivery of the bonds to

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the purchaser, they shall be incontestable.

Revised Law

Sec. 452.357. SECURITY PLEDGED. (a) To secure the payment of an authority's bonds, the authority may:

(1) pledge all or part of revenue realized from any tax that the authority may impose;

(2) pledge any part of the revenue of the public transportation system; and

(3) mortgage any part of the public transportation system, including any part of the system subsequently acquired.

(b) Under Subsection (a)(3) an authority may, subject to the terms of the bond indenture or the resolution authorizing the issuance of the bonds, encumber a separate item of the public transportation system and acquire, use, hold, or contract for the property by lease, chattel mortgage, or other conditional sale including an equipment trust transaction.

(c) An authority may not issue bonds secured by ad valorem tax revenue.

(d) An authority is not prohibited by this subchapter from encumbering one or more public transportation systems to purchase, construct, extend, or repair one or more other public transportation systems of the authority. (V.A.C.S. Art. 1118y, Sec. 15(a) (part), (c) (part).)

Source Law

Sec. 15. (a) The authority shall have no power to... nor to issue any bonds or notes secured by ad valorem tax revenues...

(c) In order to secure the payment of such bonds or notes, such authority shall have full power and authority to encumber and pledge all or any part of the revenue realized from any tax which the authority is authorized to levy and all or any part of the revenues of its transportation system and to mortgage and encumber all or any part of the properties thereof and everything pertaining thereto acquired or to be acquired... If not prohibited by the resolution or indenture relating to outstanding bonds or notes, any such authority shall have full power and authority to encumber separately any item or items of real estate or personalty, including motorbuses, transit cars and other vehicles, machinery, and other equipment of any...
nature, and to acquire, use, hold, or contract for any
such property under any lease arrangement, chattel
mortgage, or conditional sale, including but not
limited to transactions commonly known as equipment
trust transactions. Nothing herein shall be construed
as prohibiting an authority from encumbering any one or
more transportation systems for the purpose of
purchasing, building, constructing, enlarging,
extending, repairing, or reconstructing another one or
more of said systems and purchasing necessary property,
both real, personal, and mixed, in connection
therewith.

Revisor's Note

(1) Section 15(c), V.A.C.S. Article 1118y,
refers to an authority's "transportation system." The
revised law refers to the authority's "public
transportation system" to conform to the definitions
contained in Section 452.001 of this chapter.

(2) Section 15(c), V.A.C.S. Article 1118y,
contains a list of specific properties that may be
encumbered and refers to property "pertaining thereto"
or "in connection therewith." The list of specific
items and the references to "pertaining thereto" and
"in connection therewith" are omitted from the revised
law as unnecessary because all of those properties are
included under the definition of "public transportation
system."

Revised Law

Sec. 452.358. PLEDGE OF REVENUE LIMITED. The expenses of
operation and maintenance of a public transportation system,
including salaries, labor, materials, and repairs necessary to
provide efficient service and every other proper item of expense,
are a first lien and charge against any revenue of a public
transportation system that is encumbered under this chapter.
(V.A.C.S. Art. 1118y, Sec. 15(e) (part).)

Source Law

(e) Whenever the revenues of any public
transportation system or general transportation
services shall be encumbered under this Act, the
expense of operation and maintenance, including all
salaries, labor, materials, and repairs necessary to render efficient service and every proper item of expense, shall always be a first lien and charge against such revenues.

Revisor's Note

Section 15(e), V.A.C.S. Article 1118y, refers to "any public transportation system or general transportation services." The reference to "general transportation services" is omitted as unnecessary because "public transportation system" is defined as including property of general transportation services, which includes revenue from those services. See also Revisor's Note (3) to Section 452.001 of this code.

Revised Law

Sec. 452.359. REFUNDING BONDS. An authority may issue refunding bonds for the purposes and in the manner authorized by general law, including Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes), and Chapter 784, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil Statutes).

Source Law

(d) Refunding bonds or notes may be issued for the purposes and in the manner provided by general law, including without limitation Chapter 503, Acts of the 54th Legislature, Regular Session, 1955, as amended (Article 717k, Vernon's Texas Civil Statutes), and Chapter 784, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil Statutes), as presently enacted or hereafter amended.

Revised Law

Sec. 452.360. BONDS AS AUTHORIZED INVESTMENTS. (a) An authority's bonds are authorized investments for:

(1) a bank;
(2) a savings bank;
(3) a trust company;
(4) a savings and loan association; and
(5) an insurance company.

(b) The bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face value or market value, are eligible to secure the deposit of public funds of this state, a political subdivision of this state, and any other political corporation of this state. (V.A.C.S. Art. 1118y, Sec. 15(f).)

Source Law

(f) All such bonds and notes shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, and insurance companies. Such bonds and notes shall be eligible to secure the deposit of any and all public funds of the State of Texas and any and all public funds of cities, towns, villages, counties, school districts, or other political subdivisions of the State of Texas, and such bonds and notes shall be lawful and sufficient security for said deposits to the extent of the principal amount thereof or their value on the market, whichever is the lesser, when accompanied by all unmatured coupons appurtenant thereto.

Reviser's Note

Section 15(f), V.A.C.S. Article 1118y, refers to "building and loan associations." "Savings and loan association" is used in lieu of that term because the latter term is now used in Texas law to apply to a building and loan association.

Revised Law

Sec. 452.361. EXCHANGE OF BONDS FOR EXISTING SYSTEM. An authority's revenue bonds may be exchanged, in lieu of cash, for the property of all or part of an existing public transportation system to be acquired by the authority. If the property is owned by a corporation that will dissolve simultaneously with the exchange, the authority may acquire the stock of the corporation. (V.A.C.S. Art. 1118y, Sec. 15(g).)

Source Law

(g) If revenue bonds are to be issued by an authority to acquire any existing transportation system or any part thereof and the owner thereof is willing to...
accept said revenue bonds in lieu of cash, then in that event the revenue bonds may be exchanged for the property or for the stock of a corporation owning the property to be dissolved simultaneously.

Revised Law

Sec. 452.362. ELECTION TO PLEDGE TAXES. (a) The executive committee may order an election to authorize the pledge of sales and use tax revenue to the payment of a specified amount of long-term bonds for the authority's public transportation system.

(b) Sales and use tax revenue at a rate higher than the previously approved rate may not be pledged.

(c) The notice of election shall be published, the proposition and ballot prepared, and the election held in accordance with and at the times permitted by the law applicable to a municipal bond election. The authority may publish, or distribute in another manner, additional copies of the election order to inform the voters fully of its content.

(d) If the proposition is approved, the authority may issue bonds in an amount not exceeding the amount approved. (V.A.C.S. Art. 1118y, Secs. 15(h)(1), (3) (part).)

Source Law

(1) An authority may call the election for the purpose of authorizing the pledge of its sales and use tax revenues, at a rate not exceeding the previously voted rate, to the payment of a specified amount of long-term bonds or notes for the purposes of its transportation system. If this method of holding the election is selected by the authority, the election shall be called by order of the executive committee, and the proposition and ballot shall be prepared and the election shall be held in accordance with and at the times permitted by the laws applicable to bond elections held by cities. If such election favorably carries, the authority is authorized to issue such bonds or notes up to such amount.

(3) Notice of an election held under either Subdivision (1) . . . of this subsection shall be given by publication of the order calling the election in the manner provided by law for the holding of bond elections by cities. The authority is authorized to publish or otherwise distribute such additional copies of the order calling the election as it shall deem appropriate in order to fully inform the voters of its content.
Sec. 452.363. ALTERNATE ELECTION PROCEDURES FOR CERTAIN AUTHORITIES. (a) The executive committee of an authority in which more than one municipality is holding an election under Section 452.362 may provide for a proposition, ballot, and election order under this section if the committee finds that:

(1) the proceeds of long-term bonds are needed continuously to acquire, construct, and equip the public transportation system;

(2) financing through the issuance of bonds is the best available method to provide transportation services at the earliest practicable date for the residents of its service area, including all municipalities; and

(3) the construction needed to provide those services will take longer than five years.

(b) The official proposition must read substantially as follows:

"PROPOSITION

"Shall (name of authority) be authorized to pledge its ____ cent (insert amount) sales and use tax revenues to the payment of bonds or notes having a maturity longer than five years for the purpose of acquiring, constructing, and equipping the authority's transportation system in order to provide transportation services for the residents of the cities of (list cities included in service area)?"

(c) The ballot shall be arranged in a manner to permit the voters to vote "For" or "Against" the following summary of the proposition:

"The pledge by (insert name of authority) of its ____ cent (insert amount) sales and use tax revenues to the payment of bonds or notes in order to provide transportation services for the residents of the cities of (list cities included in service area)."
(d) The election order may contain additional information about the authority's plans and programs, such as:

1. identification of the service area of the authority and a general description of the system expected to be constructed and provided according to the service plan, including, if appropriate, graphic materials and location maps and charts indicating the proposed locations and timing of any rail or similar lines or routes proposed to be provided;

2. the estimates of costs of the public transportation system to be provided, and the estimates of the amount of long-term bonds expected to be issued under the voted proposition that will be needed, considering other estimated sources of payment such as fares and other revenues, short-term borrowing, vendor-supplied financing, and revenue bonds, other than those secured by sales and use tax revenues, to pay the costs; and

3. any other matter appropriate to inform the voters of the details of the proposed system and the financing plans of the authority.

(e) If a majority of the votes received at the election favor the summary of the proposition in Subsection (c), the authority may issue bonds in amounts and at times as the executive committee considers appropriate to provide transportation services for the residents of its service area in accordance with its service plan in effect on the date of the election, and as the service plan may be amended in accordance with Subchapter G, without the necessity of an additional election. The rate of sales and use tax that is pledged to the bonds may not exceed the previously voted authorized tax rate permitted on the date of the election. (V.A.C.S. Art. 1118y, Secs. 15(h)(2), (3) (part).)

Source Law

(2) If the boundaries of the authority include the incorporated territory of more than a single city, the executive committee may, alternatively, call and hold an election under this Subdivision (2) if the executive committee finds and determines in its judgment and discretion:

(A) that the proceeds of long-term
bonds or notes are needed in order to acquire, construct, and equip its transportation system on a continuous and uninterrupted basis; (B) that such method of financing is the best of available financing methods in order to provide transportation services at the earliest practicable date for the residents of its multi-city service area; and (C) that the construction period needed to provide such services will extend beyond five years. An election held under this Subdivision (2) will be for the purpose of authorizing the pledge of its sales and use tax revenues, at a rate not exceeding the previously voted rate, to the payment of a sufficient amount of long-term bonds or notes to provide transportation services for the residents of its multi-city service area. If this method is selected by the authority, the election shall be called by order of the executive committee and the election shall be held in accordance with and at the times permitted by the laws applicable to bond elections held by cities, except that the official proposition and the summary thereof to appear on the ballot shall read, respectively, substantially as follows: "PROPOSITION "Shall (name of authority) be authorized to pledge its ____ cent (insert amount) sales and use tax revenues to the payment of bonds or notes having a maturity longer than five years for the purpose of acquiring, constructing, and equipping the authority's transportation system in order to provide transportation services for the residents of the cities of (list cities included in service area)?" The ballot shall be arranged in such manner as will permit the voters to vote "For" or "Against" the following summary of the proposition: "The pledge by (insert name of authority) of its ____ cent (insert amount) sales and use tax revenues to the payment of bonds or notes in order to provide transportation services for the residents of the cities of (list cities included in service area)." The order calling an election under this Subdivision (2) may contain additional information pertaining to the authority's plans and programs, such as: (i) identification of the service area of the authority and a general description of the system expected to be constructed and provided according to the service plan then in effect, including, if appropriate, graphic materials and location maps and charts indicating the proposed locations and timing of any rail or similar lines or routes proposed to be provided; (ii) the current estimates of costs of the system to be provided, and the current estimates of the amount of long-term bonds and notes then expected to be issued under the voted proposition that will be needed, considering other estimated sources of payment such as fare box and other revenues, short-term borrowings, vendor supplied financing, and revenue bonds (other than secured by sales and use tax revenues) to pay such costs; and (iii) any other matters deemed appropriate in informing the voters as to the details of the then proposed system and the financing plans of
If the election is held under the optional provisions of this Subdivision (2) and favorably carries, then bonds and notes may be issued by the authority in such amounts and at such times as the executive committee deems appropriate in order to provide transportation services for the residents of its service area in accordance with its service plan in effect on the date of the election as the service plan may be amended and adjusted in accordance with Section 10A of this Act, without the necessity of further elections. It is provided, however, that the rate of sales and use tax that is pledged to such bonds shall never exceed the previously voted rate of tax that was permitted on the date of the election.

[(3) Notice of an election held under either ...] or Subdivision (2) [of this subsection shall be given by publication of the order calling the election in the manner provided by law for the holding of bond elections by cities. ...]

Revisor's Note

(1) Section 15(h)(2), V.A.C.S. Article 1118y, refers to Section 10A of that article, which section is revised as Subchapter G of this chapter, and the revised law reflects that citation.

(2) Section 15(h)(2), V.A.C.S. Article 1118y, provides that the election "shall be held in accordance with and at the times permitted by the laws applicable to bond elections held by cities" and Section 15(h)(3) of that article provides that the notice of the election under Subdivision (2) "shall be given by publication of the order calling the election in the manner provided by law for the holding of bond elections by cities." These provisions are omitted from the revised law as unnecessary because the same provisions apply to an election held under Section 452.362 of this code. As revised, the election procedures under Section 452.362 of this code apply to an election held under this section except as to the specific differences stated in this section.

Revised Law
Sec. 452.364. TAX EXEMPTION. The interest on bonds issued
by an authority is exempt from state and local taxes. (V.A.C.S. Art. 1118y, Sec. 23 (part).)

Source Law

Sec. 23. . . . and the interest bonds and notes issued by the authority shall be exempt from all taxes levied or to be levied by the State of Texas, its political subdivisions, counties, or municipal corporations.

[Sections 452.365-452.400 reserved for expansion]
only as a quarter of one percent, a half of one percent, three-quarters of one percent, or one percent. The provisions of Chapter 322, Tax Code, shall be applicable to the levy, imposition, and collection of the tax.

[Sec. 24]

(h) . . . and the executive committee may levy and collect a local sales and use tax in accordance with Section 16 of this Act at a rate approved by the governing body of the contiguous city. The rate of the sales and use tax may not exceed the rate of tax approved by the voters at the election confirming the creation of the subregional transportation authority.

Revised Law

Sec. 452.402. RATE INCREASE: SALES AND USE TAX. The executive committee may not increase the tax rate to a rate higher than the rate approved by the voters at the confirmation election without first receiving a majority vote in favor of the increase at an authority-wide election. (V.A.C.S. Art. 1118y, Sec. 16(d).)

(d) The executive committee shall not increase the tax rate above the rate approved by the voters at the confirmation election without first receiving a majority vote in favor of the increase at an authority-wide election.

Revised Law

Sec. 452.403. MAXIMUM TAX RATE IN AUTHORITY AREA. (a) An authority may not adopt a sales and use tax rate, including a rate increase, that when combined with the rates of all sales and use taxes imposed by other political subdivisions of the state having territory in the authority exceeds two percent in any location in the authority.

(b) An election by an authority to adopt a sales and use tax or increase the rate of the authority's sales and use tax has no effect if:

(1) the voters of the authority approve the authority's sales and use tax rate or rate increase at an election held on the same day on which a municipality or county having territory within the authority adopts a sales and use tax or an
additional sales and use tax; and

(2) the combined rates of all sales and use taxes
imposed by the authority and other political subdivisions of this
state would exceed two percent in any location in the authority.

(c) If an authority consisting of one subregion governed by
a subregional board created under Subchapter O adds territory that
is a municipality, any additional sales and use tax under Chapter
321, Tax Code, imposed by that municipality is repealed as provided
by Section 321.1025, Tax Code. The effective date of the repeal
and for the imposition of the tax authorized to be collected under
Section 452.401 in the added territory is the date that, under
Section 321.102(b), Tax Code, the repeal of the additional sales
and use tax is effective in the territory. (V.A.C.S. Art. 1118y,
Secs. 11(f)(3), 16(f), (g).)

Source Law

[Sec. 11]
(f) . . .
(3) If an authority created by a principal
city having a population of more than 800,000 adds
territory that is a city or town that imposes an
additional sales and use tax under Chapter 321, Tax
Code, the additional sales and use tax is repealed as
provided by Section 321.1025, Tax Code. The effective
date for the repeal and for the imposition of the tax
authorized to be collected under Section 16 of this Act
in the added territory is the date that, under Section
321.102(b), Tax Code, the repeal of the additional
sales and use tax is effective in the territory.

[Sec. 16]
(f) An authority may not adopt a sales and use
tax or increase the rate of its sales and use tax under
this section if as a result of the adoption of the tax
or the tax increase the combined rate of all sales and
use taxes imposed by the authority and other political
subdivisions of this state having territory in the
authority would exceed two percent at any location in
the authority.

(g) If the voters of an authority approve the
adoption of a sales and use tax or the increase in the
sales and use tax rate of the authority at an election
held on the same election date on which a municipality
or county having territory in the authority adopts a
sales and use tax or an additional sales and use tax
and as a result the combined rate of all sales and use
taxes imposed by the authority and other political
subdivisions of this state having territory in the
authority would exceed two percent at any location in
the authority, the election to adopt a sales and use
tax or to increase the rate of the authority's sales
and use tax has no effect.
Revisor's Note

Section 11(f), V.A.C.S. Article 1118y, refers to "an authority created by a principal city having a population of more than 800,000." The reference is changed to "an authority consisting of one subregion governed by a subregional board created under Subchapter O" for the reason stated in Revisor's Note (5) to Section 452.056 of this code.

Revised Law

Sec. 452.404. INITIAL SALES TAX: EFFECTIVE DATE. The adoption of or the increase or decrease in the rate of an authority's sales and use tax takes effect on the first day of the second calendar quarter beginning after the date that the comptroller receives a copy of the order required to be sent under Section 452.717. (V.A.C.S. Art. 1118y, Sec. 16(e).)

Source Law

(e) Upon actual receipt by the comptroller of notification of adoption, increase, or decrease of a local sales and use tax containing the information required by Subsection (f) of Section 9 of this Act, there shall elapse one whole calendar quarter prior to the adoption, increase, or decrease of a local sales and use tax becoming effective. Thereafter the adoption, increase, or decrease shall be effective beginning on the first day of the next calendar quarter following the elapsed calendar quarter.

Revisor's Note

Section 16(e), V.A.C.S. Article 1118y, refers to Section 9(f) of that article, which is revised as Section 452.717 of this code, and the revised law reflects that citation.

Revised Law

Sec. 452.405. RATE DECREASE: SALES AND USE TAX. (a) The executive committee by order may direct the comptroller to collect the authority's sales and use tax at a rate that is lower than the rate approved by the voters at the confirmation election.
(b) The executive committee must file a certified copy of the order with the comptroller. (V.A.C.S. Art. 1118y, Sec. 16(c).)

**Source Law**

(c) The executive committee by filing a certified copy of the order with the comptroller may authorize and direct the comptroller to collect a rate of tax that is lower than the rate approved by the voters at the confirmation election.

**Revised Law**

Sec. 452.406. DIFFERENT SUBREGIONAL SALES AND USE TAX RATES.

(a) The executive committee by order may direct the comptroller to collect the authority's sales and use tax at different rates in different subregions of the authority, but a rate may not be higher than the maximum rate approved by the voters.

(b) The executive committee must file a certified copy of the order and a map of the boundaries of the subregions with the comptroller. (V.A.C.S. Art. 1118y, Sec. 17 (part).)

**Source Law**

Sec. 17. The executive committee by filing a certified copy of the order and a map of the authority clearly showing the boundaries of the subregions with the comptroller may authorize and direct the comptroller to collect a different rate of tax in each subregion as long as neither rate is greater than the rate approved by the voters at the confirmation election. . . .

**Revised Law**

Sec. 452.407. PROPERTY TAXES. An authority may not impose an ad valorem property tax. (V.A.C.S. Art. 1118y, Sec. 15(a) (part).)

**Source Law**

(a) The authority shall have no power to assess, levy, or collect ad valorem taxes on property. . . .

[Sections 452.408-452.450 reserved for expansion]
SUBCHAPTER J. FINANCIAL AND PERFORMANCE AUDITS

Revised Law

Sec. 452.451. FINANCIAL AUDITS.  (a) The executive committee of an authority shall have an annual audit of the affairs of the authority prepared by an independent certified public accountant or a firm of independent certified public accountants.

(b) The audit is open to public inspection. (V.A.C.S. Art. 1118y, Sec. 18(a) (part).)

Source Law

(a) ... 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 . . . .

Revised Law

Sec. 452.452. REVIEW OF AUDIT: CERTAIN AUTHORITIES.  (a) The subregional board of an authority consisting of one subregion governed by a subregional board created under Subchapter O shall deliver a copy of each audit prepared under Section 452.451 to the state auditor.

(b) The state auditor shall file any comments about the audit with the legislative audit committee and the subregional board.

(c) The state auditor may:

(1) examine any work papers from the audit; or

(2) audit the financial transactions of the authority if the state auditor determines an audit is necessary. (V.A.C.S. Art. 1118y, Sec. 18A.)

Source Law

Sec. 18A.  (a) This section applies only to an authority consisting of one subregion governed by a subregional board created under Section 6 of this Act.

(b) The board of the authority shall deliver a copy of the report of an audit performed under Section 18(a)(7) of this Act to the state auditor for the state auditor's review and comment. The state auditor may examine any documents used in the preparation of the audit and conduct an additional audit of the authority.
if, based on the state auditor's review under this
subsection, the state auditor determines that the
examination or additional audit is necessary.

(c) The state auditor shall file any comments
relating to the authority's audit with the Legislative
Audit Committee and the board of the authority.

Revisor's Note

Section 18A, V.A.C.S. Article 1118y, refers to
Section 6. Section 6 is revised as Subchapter O of
this chapter and the revised law reflects this
citation.

Revised Law

Sec. 452.453. REVIEW BY SUNSET ADVISORY COMMISSION. An
authority consisting of one subregion governed by a subregional
board created under Subchapter O is subject in 2003 and every 12th
year after that year to review under Chapter 325, Government Code,
but is not abolished under that chapter. (V.A.C.S. Art. 1118y,
Sec. 3A.)

Source Law

Sec. 3A. (a) A regional transportation
authority consisting of one subregion governed by a
subregional board created under Section 6 of this Act
is subject to review under Chapter 325, Government Code
(Texas Sunset Act), but is not abolished under that chapter.
(b) A regional transportation authority subject
to this section shall be reviewed under the Texas
Sunset Act during the period in which state agencies
abolished September 1 of 1991 and every 12th year after
1991 are reviewed.

Revisor's Note

Section 3A, V.A.C.S. Article 1118y, refers to
Section 6. Section 6 is revised as Subchapter O of
this chapter and the revised law reflects this
citation.

Revised Law

Sec. 452.454. PERFORMANCE AUDITS: CERTAIN AUTHORITIES. (a)
A subregional board created under Subchapter O governing an
authority consisting of one subregion shall contract every fourth
state fiscal year beginning with the 1995-1996 fiscal year for a
performance audit of the authority to be conducted by a firm that
has experience in reviewing the performance of transit agencies.

(b) The purposes of the audit are to provide:

(1) evaluative information necessary for the
performance of oversight functions by state and local officers; and
(2) information to the authority to assist in making
changes for the improvement of the efficiency and effectiveness of
authority operations.

(c) Each audit must include an examination of:

(1) one or more of the following:

(A) the administration and management of the
authority;
(B) transit operations; or
(C) transit authority system maintenance;
(2) the authority's compliance with applicable state
law, including this chapter; and
(3) the following performance indicators:

(A) operating cost per passenger, per revenue
mile, and per revenue hour;
(B) sales and use tax receipts per passenger;
(C) fare recovery rate;
(D) average vehicle occupancy;
(E) on-time performance;
(F) number of accidents per 100,000 miles; and
(G) number of miles between mechanical road
calls.

(d) A subject described under Subsection (c)(1) must be
examined at least once in every third audit. (V.A.C.S. Art. 1118y,
Secs. 18B(a), (b), (c), (d).)

Source Law
Sec. 18B. (a) This section applies only to an
authority consisting of one subregion governed by a
subregional board created under Section 6 of this Act.
(b) The board of the authority shall contract
with a firm to conduct a performance audit of the
authority. A contracting firm under this section must have experience in reviewing the performance of transit agencies. A performance audit is required to be conducted under this section at least once:

1. before September 1, 1990;
2. during the period beginning September 1, 1990, and ending August 31, 1992; and
3. during every fourth fiscal year of the state after the fiscal year ending August 31, 1992.

(c) The purposes of a performance audit under this section are to provide evaluative information necessary for the performance of oversight functions by state and local officers and to provide information to the authority to assist in the making of changes to improve the efficiency and effectiveness of authority operations. The board shall determine one or more subjects for a particular audit, from among the subjects of administration and management of the authority, transit operations, and system maintenance. Each of those subjects must be examined at least once in every third performance audit.

(d) Each performance audit must include, in addition to an examination of subjects determined under Subsection (c) of this section, an examination of the authority's compliance with this Act and other applicable state law and an examination of the following performance indicators:

1. operating cost per passenger;
2. sales and use tax receipts per passenger;
3. operating cost per revenue hour;
4. operating cost per revenue mile;
5. fare recovery rate;
6. average vehicle occupancy;
7. on-time performance;
8. the number of accidents per 100,000 miles; and
9. the number of total miles between mechanical road calls.

Reviser's Note

Section 18B(a), V.A.C.S. Article 1118y, refers to Section 6. Section 6 is revised as Subchapter O of this chapter and the revised law reflects that citation.

Revised Law

Sec. 452.455. COMPUTATION OF PERFORMANCE INDICATORS. (a) An authority's operating cost per passenger is computed by dividing the authority's annual operating cost by the passenger trips for the same period.

(b) The sales and use tax receipts per passenger are computed by dividing the annual receipts from authority sales and use taxes by passenger trips for the same period.
(c) The operating cost per revenue hour is computed by dividing the annual operating cost by the total of scheduled hours that authority revenue vehicles are in revenue service for the same period.

(d) The operating cost per revenue mile is computed by dividing the annual operating cost by the number of miles traveled by authority revenue vehicles while in revenue service.

(e) The fare recovery rate is computed by dividing the annual revenue, including fares, tokens, passes, tickets, and route guarantees, provided by passengers and sponsors of passengers of revenue vehicles, by the operating cost for the same period. Charter revenue, interest income, advertising income, and other operating income are excluded from revenue provided by passengers and sponsors of passengers.

(f) The average vehicle occupancy is computed by dividing the annual passenger miles by the number of miles traveled by authority revenue vehicles while in revenue service for the same period. The annual passenger miles are computed by multiplying the annual passenger trips and the average distance ridden by passengers for the same period.

(g) On-time performance is computed by determining an annual percentage of revenue vehicle trips of revenue vehicles that depart from selected locations at a time not earlier than the published departure time and not later than five minutes after that published time.

(h) The number of accidents per 100,000 miles is computed by multiplying the annual number of accidents by 100,000 and dividing the product by the number of miles for all service, including charter and nonrevenue service, directly operated by the authority for the same period. In this subsection, "accident" includes:

1. a collision that involves an authority's revenue vehicle, other than a lawfully parked revenue vehicle, and results in property damage, injury, or death; and

2. an incident resulting in the injury or death of a
person on board or boarding or alighting from an authority's revenue vehicle.

(i) The number of miles between mechanical road calls is computed by dividing the annual number of miles for all service directly operated by an authority, including charter and nonrevenue service, by the number of mechanical road calls for the same period. In this subsection, "mechanical road call" means an interruption in revenue service that is caused by revenue vehicle equipment failure that requires assistance from a person other than the vehicle operator before the vehicle can be operated normally.

(j) In this section:

(1) " Operating cost" means an authority's costs of providing public transit service, including purchased transit service not performed by the authority, but excluding the costs of:

(A) depreciation, amortization, and capitalized charges;
(B) charter bus operations; and
(C) coordination of carpool and vanpool activities.

(2) "Passenger trips" means the number of all passenger boardings, including transfers, but excluding charter passengers and carpool and vanpool passengers whose trips are only coordinated by the authority.

(3) "Revenue service" means the time an authority revenue vehicle is in service to carry passengers, other than charter passengers.

(4) "Revenue vehicle" means a vehicle that is:

(A) used to carry paying passengers; and
(B) operated by an authority or as a purchased service. (V.A.C.S. Art. 1118y, Secs. 18B(e), (f).)

Source Law

(e) In this section:

(1) "Accidents" includes:

(A) all collisions that involve a revenue vehicle of the authority and that result in property damage, injury, or death, other than
collisions in which the revenue vehicle is lawfully parked; and

(B) all incidents that result in the injury or death of a person aboard, boarding, or alighting from a revenue vehicle of the authority.

(2) "Mechanical road call" means any interruption in revenue service caused by equipment failure of a revenue vehicle that requires assistance from someone other than the vehicle operator before the vehicle can be operated normally.

(3) "Operating cost" means the authority's costs of providing public transit service, including the cost of purchased transit service not performed by the authority, but excluding the costs of depreciation, amortization, capitalized charges, charter bus operations, and coordination of carpool and vanpool activities.

(4) "Passenger fare revenue" means revenues provided by passengers of revenue vehicles of the authority or the sponsors of those passengers and includes cash fares, passes, tokens, tickets, and route guarantees. The term excludes charter revenues, advertising income, interest income, and other operating income.

(5) "Passenger trips" means a total of all passenger boardings, including transfers but excluding charter passengers and carpool and vanpool passengers whose trips are only coordinated by the authority.

(6) "Revenue service" means the time a revenue vehicle of the authority is in operation to carry passengers other than charter passengers.

(7) "Revenue vehicle" means a vehicle that is used to carry paying passengers and that is operated directly by the authority or as a purchased service.

(8) "Revenue vehicle hours" means a total of scheduled hours that revenue vehicles of the authority are in revenue service.

(9) "Revenue vehicle miles" means a total of miles traveled by revenue vehicles of the authority while in revenue service.

(f)(1) The operating cost per passenger is derived by dividing annual operating cost by passenger trips during the same period.

(2) The sales and use tax receipts per passenger is derived by dividing an annual amount of receipts by the authority from a local sales and use tax, by passenger trips for the same period.

(3) The operating cost per revenue hour is derived by dividing annual operating cost by revenue vehicle hours for the same period.

(4) The operating cost per revenue mile is derived by dividing annual operating cost by revenue vehicle miles for the same period.

(5) The fare recovery rate is derived by dividing annual passenger fare revenue by operating cost for the same period.

(6) The average vehicle occupancy is derived by dividing annual passenger miles by revenue vehicle miles for the same period. The number of annual passenger miles is derived by multiplying annual passenger trips by the average distance ridden by passengers during the same period.

(7) On-time performance is derived by determining an annual percentage of revenue vehicle trips performed by revenue vehicles of the authority that depart from selected locations at a time not earlier than the published departure time and not later than five minutes after the published departure time.
(8) The number of accidents per 100,000 total miles is derived by multiplying an annual total of accidents of revenue vehicles of an authority by 100,000 and dividing the result by the total number of miles for all service directly operated by the authority for the same period, including charter service and nonrevenue service.

(9) The number of miles between mechanical road calls is derived by dividing an annual total number of miles for all service directly operated by the authority, including charter service and nonrevenue service, by the total number of mechanical road calls for revenue vehicles of the authority for the same period.

Revisor's Note
The definitions in Section 18B, V.A.C.S. Article 1118y, of "revenue hour" and "passenger fare revenue" are used in that section only once. "Revenue mile" is used twice. The revised law does not define those terms but incorporates the definitions into the substance of the computations of the performance indicators where the terms are used.

Revised Law
Sec. 452.456. PERFORMANCE AUDIT RESPONSE; HEARING. (a) An authority for which a performance audit is conducted under Section 452.454 shall prepare a written response to the performance audit report. The response must include each proposal for action relating to recommendations included in the report, whether the proposal for action is pending, adopted, or rejected.

(b) The authority shall make copies of the report and the response available for public inspection at the offices of the authority during normal business hours.

(c) The authority shall conduct a public hearing on each performance audit report and the authority's response under Subsection (a). The authority shall give notice of the hearing by publication of the notice in a newspaper of general circulation in the area included in the authority at least 14 days before the date of the hearing. (V.A.C.S. Art. 1118y, Secs. 18B(g), (h).)
(g) An authority for which a performance audit is conducted under this section shall prepare a written response to the report of the performance audit. The response must include any proposals for action, whether pending, adopted, or rejected, relating to recommendations contained in the performance audit report.

(h) The authority shall conduct a public hearing on each performance audit report conducted under this section and the authority's written response to that report. The authority shall cause notice of the hearing to be published in a newspaper of general circulation in the area included within the authority at least 14 days before the date of the hearing. The authority also shall make copies of the report and response available for public inspection at offices of the authority during normal business hours.

Revised Law

Sec. 452.457. DELIVERY OF REPORT AND RESPONSE. An authority required by Section 452.454 to contract for a performance audit shall, before February 1 of the year after the fiscal year in which the performance audit is conducted, deliver a copy of each performance audit report and of the authority's response to the report to:

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives;

(4) each member of the legislature whose district includes territory in the authority;

(5) the state auditor;

(6) the county judge of each county having territory in the authority; and

(7) the presiding officer of the governing body of each municipality having territory in the authority. (V.A.C.S. Art. 1118y, Sec. 18B(i).)

Source Law

(i) A copy of each report of a performance audit conducted under this section and the response of the authority shall be delivered by the authority to the governor, the lieutenant governor, the speaker of the house of representatives, the state auditor, the presiding officer of the governing body of each county and municipality having territory included within the authority, and each member of the state legislature.
whose district includes territory within the authority. The copies shall be delivered before February 1 of the year after the fiscal year in which the audit is conducted.

[Sections 452.458-452.500 reserved for expansion]

SUBCHAPTER K. PROVISIONS GENERALLY APPLICABLE TO EXECUTIVE COMMITTEES

Revised Law

Sec. 452.501. APPLICABILITY OF SUBCHAPTER. This subchapter does not apply to the executive committee of an authority created by a contiguous municipality. (V.A.C.S. Art. 1118y, Sec. 24(i) (part).)

Source Law

(i) The following sections of this Act shall not apply to subregional transportation authorities:
Sections 5, . . . .

Revisor's Note

Section 24(i), V.A.C.S. Article 1118y, refers to Section 5 of that article. Section 5 is revised in this subchapter.

Revised Law

Sec. 452.502. EXECUTIVE COMMITTEE OF REGIONAL AUTHORITY.
(a) The executive committee of a regional transportation authority confirmed in more than one subregion is composed of 11 members selected as follows:

(1) seven members from the membership of the subregional board in the subregion containing a principal municipality having a population of more than 800,000; and

(2) four members from the membership of the subregional board in the subregion that has no principal municipality with a population of more than 800,000.

(b) The subregional boards shall select their representatives to the executive committee from their membership by a vote of the members. (V.A.C.S. Art. 1118y, Secs. 5(a) (part),
(b) (part), 13 (part.).

Source Law

Sec. 5. (a) ... an executive committee comprised of 11 members selected as follows:
(1) seven members from the membership of the subregional board in the subregion containing a principal city having a population greater than 800,000; and
(2) four members from the membership of the subregional board in the subregion containing a principal city having a population of less than 800,000.

(b) ... the subregional boards shall select their representatives to the executive committee from their membership by a vote of the members. After the confirmation election, the subregional boards shall select their representatives in the same manner ....

Sec. 13. If the existence of the authority is confirmed in both subregions, then the executive committee shall be organized as provided in Section 5 of this Act ....

Revisor's Note

Section 5, V.A.C.S. Article 1118y, uses the term "city." That term is revised as "municipality" because "municipality" is the term used in the Local Government Code to describe an incorporated city.

Revised Law

Sec. 452.503. TERMS; VACANCY. (a) A member of the executive committee serves at the pleasure of the subregional board. Each September 1 the confirmation of each appointment of a member must be considered.

(b) To remain on the executive committee a person must maintain membership on a subregional board.

(c) A vacancy on the executive committee is filled in the same manner as the original appointment. (V.A.C.S. Art. 1118y, Sec. 5(b) (part).)

Source Law

(b) ... and those representatives shall serve at the pleasure of the subregional boards with the confirmation of the appointments made each September 1. To remain on the executive committee a person must maintain membership on a subregional board. A vacancy on the executive committee shall be filled in the same manner as original appointments.
Revised Law
Sec. 452.504. OFFICERS. (a) The members of the executive committee shall elect from among its membership a presiding officer, assistant presiding officer, and secretary.

(b) The executive committee may appoint, as necessary, members or nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

(1) keep permanent records of each proceeding and transaction of the authority; and

(2) perform other duties assigned by the executive committee. (V.A.C.S. Art. 1118y, Sec. 5(d) (part).)

Source Law
(d) The members of the executive committee shall elect from among their number a chairman, vice-chairman, and a secretary. The executive committee may appoint such assistant secretaries, either members or nonmembers of the executive committee, as it deems necessary. The secretary and assistant secretary or secretaries shall in addition to keeping the permanent records of all proceedings and transactions of the authority perform such other duties as may be assigned to them by the executive committee.

Revised Law
Sec. 452.505. CONFLICTS OF INTEREST. Members of the executive committee and officers of the authority are subject to Chapter 171, Local Government Code. (V.A.C.S. Art. 1118y, Sec. 5(d) (part).)

Source Law
(d) ... Members of the executive committee and officers of the authority are subject to the provisions of Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes).

Revisor's Note
Section 5(d), V.A.C.S. Article 1118y, refers to Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes). That statute was revised in the Local

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Government Code as Chapter 171, and the revised law reflects that citation.

Revised Law

Sec. 452.506. MEETINGS. (a) The executive committee shall hold at least one regular meeting each month to transact the business of an authority.

(b) On written notice, the presiding officer may call special meetings as necessary.

(c) The executive committee by resolution shall:

(1) set the time, place, and day of the regular meetings; and

(2) adopt rules and bylaws as necessary to conduct meetings. (V.A.C.S. Art. 1118y, Sec. 5(e) (part).)

Source Law

(e) The executive committee shall hold at least one regular meeting during each month for the purpose of transacting the business of the authority. Upon written notice, the chairman may call special meetings as may be necessary. The executive committee when organized shall by resolution set the time, place, and day of the regular meetings and shall adopt rules, regulations, and bylaws as it may deem necessary for the conduct of its official meetings.

Revisor's Note

Section 5(e), V.A.C.S. Article 1118y, refers to "rules, regulations." The reference to regulations is omitted because under Section 311.005, Government Code (Code Construction Act), "rule" includes "regulation."

Revised Law

Sec. 452.507. QUORUM; VOTING REQUIREMENTS. (a) Eight members are a quorum of the executive committee.

(b) An action of the executive committee requires a vote of a majority of the members present unless the bylaws require a larger number for a particular action. (V.A.C.S. Art. 1118y, Sec. 5(e) (part).)
Source Law

(e) ... Eight members shall constitute a quorum of the executive committee for the purpose of conducting its business and exercising its powers, and action may be taken by the authority upon a vote of a majority of the executive committee members present unless the bylaws require a larger number for a particular action.

[Sections 452.508-452.520 reserved for expansion]

SUBCHAPTER L. EXECUTIVE COMMITTEE OF AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY

Revised Law

Sec. 452.521. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the executive committee of an authority created by a contiguous municipality. (New.)

Revisor's Note

The revised law is added as a convenience to the reader and to avoid repetition of the description of the executive committee described by Section 24(g), V.A.C.S. Article 1118y.

Revised Law

Sec. 452.522. EXECUTIVE COMMITTEE. (a) The executive committee of an authority is composed of five members.

(b) Each member is appointed by the governing body of the contiguous municipality. (V.A.C.S. Art. 1118y, Sec. 24(g)(1) (part).)

Source Law

(g)(1) ... [an executive committee] comprised of five members selected by the governing body of the contiguous city. ...

Revised Law

Sec. 452.523. MEMBERSHIP TERMS; VACANCIES. (a) Each member of the executive committee serves a term of two years except the initial terms of two members are for one year. The subsequent terms are staggered.
(b) A vacancy on the committee may be filled by appointment of the governing body of the contiguous municipality. (V.A.C.S. Art. 1118y, Sec. 24(g)(1) (part).)

Source Law

(g)(1) ... The members of the executive committee serve two-year terms except for the initial appointment. Initially, two members shall be appointed for a term of one year, and three members shall be appointed for a term of two years. Thereafter all members shall serve staggered terms of two years. ... The governing body of the contiguous city may fill a vacancy on the executive committee by appointment.

Revised Law

Sec. 452.524. OFFICERS. (a) The members of the executive committee shall elect from among its membership a presiding officer, assistant presiding officer, and secretary and other officers the members determine are appropriate.

(b) The executive committee may appoint, as necessary, members or nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

(1) keep permanent records of each proceeding and transaction of the authority; and

(2) perform other duties assigned by the executive committee. (V.A.C.S. Art. 1118y, Sec. 24(g)(2) (part).)

Source Law

(2) The members of the executive committee shall elect from among their number a chairman, a vice-chairman, a secretary, and other officers the members determine are appropriate. The executive committee may appoint such assistant secretaries, either members or nonmembers of the executive committee, as it deems necessary. The secretary and assistant secretary shall, in addition to keeping the permanent records of all proceedings and transactions of the subregional transportation authority, perform such other duties as may be assigned to them by the executive committee. ...

Revised Law

Sec. 452.525. REMOVAL OF MEMBERS. The governing body of the contiguous municipality may remove a member of the executive committee at any time for, or without, cause. (V.A.C.S.
Art. 1118y, Sec. 24(g)(1) (part.).

Source Law

(g)(l) . . . Members of the executive committee may be removed at any time, with or without cause, by the governing body of the contiguous city. . . .

Revised Law

Sec. 452.526. CONFLICTS OF INTEREST. A member of the executive committee or an officer of the subregional authority may not have a pecuniary interest or receive a direct or indirect benefit in any agreement to which the authority is a party.

(V.A.C.S. Art. 1118y, Sec. 24(g)(2) (part.).)

Source Law

(2) . . . No member of the executive committee or officer of the subregional transportation authority shall be pecuniarily interested or benefited directly or indirectly in any contract or agreement to which the authority is a party.

Revisor's Note

Section 24(g)(2), V.A.C.S. Article 1118y, refers to a "contract or agreement." The reference to "contract" is omitted from the revised law as unnecessary because an agreement includes a contract.

Revised Law

Sec. 452.527. MEETINGS. (a) The executive committee shall hold at least one regular meeting each month to transact the business of the subregional authority.

(b) The presiding officer may call special meetings as necessary.

(c) The executive committee by resolution shall:

(1) set the time, place, and day of regular meetings; and

(2) adopt rules and bylaws as necessary to conduct meetings. (V.A.C.S. Art. 1118y, Sec. 24(g)(3) (part.).)
(3) The executive committee shall hold at least one regular meeting during each month for the purpose of transacting the business of the subregional transportation authority. The chairman may call special meetings as may be necessary. The executive committee, when organized, shall by resolution set the time, place, and day of the regular meetings and shall adopt rules, regulations, and bylaws as it may deem necessary for the conduct of its official meetings. . . .

Revisor's Note

Section 24(g)(3), V.A.C.S. Article 1118y, refers to "rules, regulations." The reference to "regulations" is omitted from the revised law because under Section 311.005(5), Government Code (Code Construction Act), a rule is defined to include a regulation. That definition applies to the revised law.

Revised Law

Sec. 452.528. QUORUM; VOTING REQUIREMENT. (a) Three members are a quorum of the executive committee.

(b) An action of the executive committee requires a vote of a majority of the members present unless the bylaws require a larger number for a particular action. (V.A.C.S. Art. 1118y, Sec. 24(g)(3) (part).)

Source Law

(3) . . . Three members shall constitute a quorum of the executive committee for the purpose of conducting its business and exercising its powers, and action may be taken by the subregional transportation authority upon a vote of a majority of the executive committee members present unless the bylaws require a larger number for a particular action.

[Sections 452.529-452.540 reserved for expansion]

SUBCHAPTER M. PROVISIONS GENERALLY APPLICABLE TO SUBREGIONAL BOARDS

Revised Law

Sec. 452.541. BOARD MEMBERSHIP: RESIDENCY IN AUTHORITY. A
1 member of a subregional board must be a qualified voter residing in
2 the authority. (V.A.C.S. Art. 1118y, Sec. 8(a) (part).)

Source Law

Sec. 8. (a) Members of subregional boards must
be registered voters residing within the boundaries of
the authority. . . .

Revisor's Note

Section 8(a), V.A.C.S. Article 1118y, refers to
"registered" voters. The revised law substitutes
"qualified" for "registered" to conform to the
terminology of the Election Code. See Section 11.002,
Election Code.

Revised Law

Sec. 452.542. SERVICE ON BOARD; VACANCIES. (a) A member of
a subregional board serves at the pleasure of the appointing
governing body.

(b) Each September each appointment must be reaffirmed.

(c) A vacancy on a subregional board is filled in the same
manner as the original appointment. (V.A.C.S. Art. 1118y, Sec.
8(a) (part).).

Source Law

... They shall serve at the pleasure of the
appointing local governing bodies. Reaffirmation of
the appointments will be required each September 1.
Vacancies shall be filled in the same manner as
original appointments.

Revised Law

Sec. 452.543. BOARD OFFICERS. (a) A subregional board
shall elect from its membership a presiding officer, assistant
presiding officer, and secretary.

(b) The board may appoint, as necessary, members or
nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

(1) keep permanent records of each proceeding and
transaction of the board; and

(2) perform other duties assigned by the board.

(V.A.C.S. Art. 1118y, Sec. 8(b) (part).)

Source Law

(b) A subregional board shall elect from among its membership a chairman, vice-chairman, and secretary. The board may appoint such assistant secretaries, either members or nonmembers of the board, as it deems necessary. The secretary and assistant secretary or secretaries shall in addition to keeping permanent records of all proceedings and transactions of the board perform such other duties as may be assigned to them by the board.

Revised Law

Sec. 452.544. CONFLICTS OF INTEREST. A member of a subregional board is subject to Chapter 171, Local Government Code.

(V.A.C.S. Art. 1118y, Sec. 8(b) (part).)

Source Law

... Members of a subregional board are subject to the provisions of Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes).

Revisor's Note

Section 8(b), V.A.C.S. Article 1118y, refers to Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes). That statute was revised in the Local Government Code as Chapter 171, and the revised law reflects that citation.

Revised Law

Sec. 452.545. DUTIES. A subregional board shall:

(1) develop, recommend, and approve the annual budget for its subregion; and

(2) if the subregion is a part of a regional authority, make recommendations to the executive committee for:

(A) the overall budget; and

(B) the operation of services provided by the
authority. (V.A.C.S. Art. 1118y, Sec. 8(d).)

Source Law

d) The subregional boards shall:
   (1) develop, recommend, and approve the
   annual budget for the appropriate subregion and shall
   make recommendations for the overall budget; and
   (2) make recommendations to the executive
   committee for operation of services provided by the
   authority.

Revised Law

Sec. 452.546. BOARD MEETINGS. (a) A subregional board, by
resolution, shall:
   (1) set the time, place, and day of regular meetings;
   and
   (2) adopt rules and bylaws as necessary to conduct
   meetings.

(b) A special meeting must be called by written notice of
the presiding officer or assistant presiding officer. (V.A.C.S.
Art. 1118y, Sec. 8(c).)

Source Law

(c) A subregional board when organized shall by
resolution set the time, place, and day of the regular
meetings and shall likewise adopt rules and regulations
and such bylaws as it may deem necessary for the
conduct of its official meetings and special meetings
called by written notice of the chairman or
vice-chairman.

Revisor's Note

(1) Section 8(c), V.A.C.S. Article 1118y, refers
to the adoption of bylaws for "official" and "special"
meetings. "Official" and "special" are omitted as
unnecessary because in this context "meetings" refers
to both and because a special meeting is an official
meeting.

(2) Section 8(c), V.A.C.S. Article 1118y, refers
to "rules and regulations." The reference to
"regulations" is omitted from the revised law because
under Section 311.005(5), Government Code (Code
Construction Act), a rule is defined to include a regulation. That definition applies to the revised law.

Revised Law

Sec. 452.547. COMPENSATION; EXPENSES. Each member of a subregional board is entitled to:

(1) reimbursement for necessary and reasonable expenses incurred in the discharge of duties; and

(2) $50 for each meeting of the executive committee or subregional board attended. (V.A.C.S. Art. 1118y, Sec. 5(c).)

Source Law

(c) Following the confirmation election each member of the subregional boards shall be entitled to the sum of $50 for each meeting of the executive committee or subregional board attended and shall be reimbursed for necessary and reasonable expenses incurred in the discharge of duties.

[Sections 452.548-452.560 reserved for expansion]

SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO MUNICIPALITY WITH POPULATION OF MORE THAN 800,000

Revised Law

Sec. 452.561. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has no principal municipality with a population of more than 800,000. (V.A.C.S. Art. 1118y, Sec. 7(a).)

Source Law

Sec. 7. (a) The subregional board in a subregion having a principal city with population less than 800,000 shall be organized in accordance with this section.

Revised Law

Sec. 452.562. BOARD MEMBERSHIP; APPOINTMENTS. (a) A subregional board is composed of nine members.

(b) If the entire county of the principal municipality is included in the authority, the subregional board consists of:
(1) four members appointed by the governing body of the principal municipality; 
(2) four members appointed by the commissioners court of the county of the principal municipality; and 
(3) one member appointed by the governing body of a municipality that is in the authority and has a population of more than 100,000. 

(c) If Subsection (b) does not apply, the subregional board shall be appointed as follows: 

(1) the commissioners court of the county of the principal municipality shall appoint at least one member to represent the unincorporated areas and municipalities in the county that are not otherwise represented on the subregional board; and 

(2) the remaining members shall be apportioned to the municipalities confirmed as all or part of the subregion according to the ratio that the population of each unit of election bears to the total population of the area confirmed as the subregion.

(d) Units of election that do not receive at least one member are to be aggregated with the county to determine population represented by the county, and appropriate additional members, if any, are to be so apportioned to the county.

(e) Units of election that are entitled to one or more members are to have the number of members rounded to the nearest whole number to determine actual apportionment. (V.A.C.S. Art. 1118y, Secs. 7(b) (part), (c).)

Source Law

(b) . . . 

(1) four members appointed by the governing body of the principal city; 
(2) four members appointed by the commissioners court of the county of the principal city; and 

(3) one member appointed by the governing body of a city having a population in excess of 100,000. 

(c) The permanent subregional board shall be comprised of nine members appointed as follows: 

(1) If the entire county of the principal city is confirmed as all or part of the authority, the permanent subregional board shall be appointed in the same manner as the interim subregional board.
principal city is confirmed as all or part of the county of the principal city shall appoint at least one member to represent the unincorporated areas and incorporated cities of the county which are not otherwise represented on the subregional board.

(B) The remaining members shall be apportioned to the incorporated cities confirmed as all or part of the subregion according to the ratio which the population of each unit of election bears to the total population of the area confirmed as the subregion. Units of election which fail to receive at least one member shall be aggregated with the county to determine population represented by the county, and appropriate additional members, if any, shall be so apportioned to the county. Units of election which are entitled to one or more members shall have the number of members rounded to the nearest whole number to determine actual apportionment.

Revised Law
Sec. 452.563. QUORUM. (a) Six members of the subregional board are a quorum.

(b) An action of the board requires a majority vote of the members present. (V.A.C.S. Art. 1118y, Sec. 7(d.).)

Source Law
(d) Six members of the subregional board shall constitute a quorum of the board for the purpose of conducting business and action may be taken by a majority vote of the members present so long as there is a quorum.

[Sections 452.564-452.570 reserved for expansion]

SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL MUNICIPALITY WITH POPULATION OF MORE THAN 800,000

Revised Law
Sec. 452.571. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has a principal municipality with a population of more than 800,000. (V.A.C.S. Art. 1118y, Sec. 6(a).)

Source Law
Sec. 6. (a) The subregional board in a subregion having a principal city with population in excess of 800,000 shall be organized in accordance with this section.
Revised Law
Sec. 452.572. BOARD MEMBERSHIP; MUNICIPAL REPRESENTATION.
(a) The subregional board is composed of 15 members appointed by
the governing bodies of the municipalities in the subregional
authority.
(b) The governing body of a municipality entitled to appoint
more than one board member may appoint a number of members less
than the number allocated to the municipality. Those appointed
members may cast the same number of votes as the number of members
allocated, but a member may not cast a divided vote. (V.A.C.S.
Art. 1118y, Secs. 6(h), (i).)

Source Law
(h) The total number of members comprising the
board is 15.
(i) Should a city be entitled to more than one
board member, the governing body may appoint a number
of members less than those allocated, who will be
entitled to the same number of votes as the number of
members allocated, but a member so appointed shall not
cast divided votes.

Revised Law
Sec. 452.573. ALLOCATION OF MEMBERSHIP AMONG MUNICIPALITIES.
(a) A governing body of a municipality in a subregion may make
appointments to the subregional board in the same ratio as the
population of the appointing municipality bears to the population
of the subregion.
(b) A municipality the population of which entitles it to
make a fraction of an appointment may combine that fraction with
one or more other municipalities in the subregion to be entitled to
make one appointment.
(c) Municipalities combining population under Subsection (b)
must agree on the method of making the appointment.
(d) A municipality may not combine its population with
another municipality for the purpose of minimizing the
representation on the board of a racial or ethnic minority.
(e) A combination under Subsection (b) of two or more
municipalities having insufficient population to receive an allocation of one membership must be made before the 61st day after the date for establishing or restructuring a board under Section 452.577. (V.A.C.S. Art. 1118y, Secs. 6(c) (part), (e).)

Source Law
(c) The 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 population to be entitled to one member on the 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. . . . 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.

(e) Prior to 60 days following the date for establishment of the board or restructuring of the board pursuant to Subsection (f) of this section, any two or more cities lacking a specifically designated board member may combine to be treated as a single city for purposes of Subsection (c) of this section, but no combination will be entitled to appoint more than one member of the board.

Revised Law
Sec. 452.574. BOARD MEMBERSHIP: ELIGIBILITY. (a) To be eligible for appointment to a subregional board, a person must reside in the municipality making the appointment.

(b) An elected officer of the state or a political subdivision of this 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 is a board 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. (V.A.C.S. Art. 1118y, Secs. 6(b), (c) (part).)
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.

(c) ... To serve on the board, a person must be a resident of the city making the appointment. ...

Revised Law
Sec. 452.575. APPOINTMENTS TO REFLECT COMPOSITION OF MUNICIPALITY. The governing body of a municipality that makes more than one appointment shall, to the greatest extent practicable, select persons who accurately reflect the racial and ethnic composition of the municipality. (V.A.C.S. Art. 1118y, Sec. 6(c) (part)).

Source Law
(c) ... 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. ...

Revised Law
Sec. 452.576. MAXIMUM MUNICIPAL MEMBERSHIP ENTITLEMENT; REALLOCATION. (a) A municipality may not make more than 65 percent of the appointments to the subregional board.

(b) If the number of appointments to which a municipality would be entitled under Section 452.573 exceeds the limitation provided by Subsection (a), the excess is apportioned according to that section among the other municipalities in the subregion. (V.A.C.S. Art. 1118y, Sec. 6(d).)

Source Law
(d) No city will be entitled to appoint more than 65 percent of the board members. If it would be so entitled pursuant to Subsection (c) of this section, it will be limited to 65 percent and the remaining members will be apportioned among the other cities in the subregion according to the provisions of Subsection (c) of this section.
Revisor's Note

Section 6(d), V.A.C.S. Article 1118y, refers to Section 6(c), which is revised in Section 452.573 of this code, and the revised law reflects that reference.

Revised Law

Sec. 452.577. REAPPORTIONMENT. As needed because of the withdrawal or addition of a municipality or unincorporated area, population changes, or changes in combinations established under Section 452.573(b), the board of a subregional authority shall be restructured under Section 452.573(a):

(1) each fifth year as of September 1 after the date that the census data or population estimates become available; or

(2) when a municipality or unincorporated area withdraws from or joins the authority. (V.A.C.S. Art. 1118y, Sec. 6(f).)

Source Law

(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 (c) 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.

Revisor's Note

Section 6(f), V.A.C.S. Article 1118y, refers to Sections 6(c) and (e) of that article, which are revised in Section 452.573 of this code, and the revised law reflects that reference.

Revised Law

Sec. 452.578. TERMS OF BOARD MEMBERS. (a) Each member of the subregional board serves a staggered term of two years. Eight of the terms begin on July 1 of odd-numbered years, and seven terms begin on July 1 of even-numbered years.
(b) The term of a member does not end because of a reapportionment under Section 452.577, and the board shall have a plan for filling vacancies after a reapportionment to ensure that each municipality maintains the representation to which it is entitled.

(c) The governing body of a principal municipality may not limit the number of terms that members of the board may serve.

(V.A.C.S. Art. 1118y, Sec. 6(g).)

Source Law

(g) The members of the board 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 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.

Revisor's Note

Section 6(g), V.A.C.S. Article 1118y, refers to Section 6(f) of that article, which is revised as Section 452.577 of this code, and the revised law reflects that reference.

Revised Law

Sec. 452.579. QUORUM; ACTIONS. (a) Sixty-five percent of the members is a quorum.

(b) An action of the subregional board requires a majority vote of the members present. (V.A.C.S. Art. 1118y, Sec. 6(j).)

Source Law

(j) Sixty-five percent of the members constitutes a quorum for the purpose of conducting business and actions may be taken upon a majority vote of the members present so long as there is a quorum.

[Sections 452.580-452.600 reserved for expansion]
Sec. 452.601. ADDITION OF TERRITORY BY MUNICIPAL ANNEXATION.

(a) When a municipality that is part of an authority annexes territory that before the annexation is not part of the authority, the annexed territory becomes part of the authority.

(b) When a contiguous municipality annexes additional territory, the annexed territory becomes a part of the subregional authority created by the contiguous municipality.

(c) Except for Subsection (b), this subchapter does not apply to an authority created by a contiguous municipality.

(V.A.C.S. Art. 1118y, Secs. 11(e), 24(i) (part), (k)(l).)

Sec. 452.602. ADDITION OF MUNICIPALITY BY ELECTION.

(a) The territory of a municipality that is not part of an authority may be added to an authority if:

(1) any part of the municipality is located in a county in which the authority is located;

(2) the governing body of the municipality orders an election under this section on whether the territory of the municipality should be added to the authority; and

(3) a majority of the votes received in the election favor the measure.

(b) The governing body of the municipality shall certify to
the executive committee the result of an election in which the
addition is approved. (V.A.C.S. Art. 1118y, Sec. 11(b) (part).)

Source Law

(b) The governing body of an incorporated city
or town located in whole or in part within a county in
which the authority is situated may hold an election on
the question of whether the city or town shall be
annexed to the authority. If a majority of the
qualified voters in the city or town voting at the
election votes for annexation, the governing body shall
certify the results of the election to the executive
committee of the authority, and the city or town shall
become a part of the authority, except as provided in
Subsection (f) of this section. . . .

Reviser's Note

The last sentence of Section 11(b), V.A.C.S.
Article 1118y, contains an exception and references
Subsection (f) of that section. The cross-reference to
Subsection (f) is erroneous. Subsection (g) is the
intended reference as that provision contains an
exception. The exception is omitted as unnecessary.
Subsection (g) is revised in Section 452.606 of this
code and by its own terms makes clear that the
exception is created.

Revised Law

Sec. 452.603. ADDITION OF COUNTY AREA BY ELECTION. (a)
Unincorporated territory that is a part of a county, not a part of
an authority, and designated by the commissioners court of the
county may be added to an authority if:

(1) any part of the county is located in the authority
or any part of an adjacent county is located in the authority;

(2) the commissioners court orders an election in the
designated area under this section on whether the area should be
added to the authority; and

(3) a majority of the votes received in the election
favor the measure.

(b) In designating an area under this section, the
The commissioners court may not, to the extent practicable, divide a county election precinct.

(c) The commissioners court shall certify to the authority the result of an election in which the addition is approved.

(V.A.C.S. Art. 1118y, Sec. 11(d).)

(d) The commissioners court of a county in which the authority is situated in whole or in part or that is adjacent to a county in which the authority is situated in whole or in part may hold an election for unincorporated areas in any one or more of the designated election areas formed for the election by order of the commissioners court on the question of whether the unincorporated area in which the election is held shall be annexed to the authority. The boundaries of a designated election area shall coincide to the extent practicable with the boundary of a county voting precinct so that insofar as practicable no county voting precinct is divided. If a majority of the qualified voters in a designated election area voting at the election votes in favor of annexation, the commissioners court shall certify the results of the election to the executive committee of the authority, and the unincorporated area shall become a part of the authority, except as provided in Subsection (f) of this section.

Revisor's Note

Section 11(d), V.A.C.S. Article 1118y, contains an exception and references Subsection (f) of that section. The reference is omitted as unnecessary for the reason stated in the revisor's note to Section 452.602 of this code.

Revised Law

Sec. 452.604. PROCEDURE FOR ANNEXATION OF ALL OR PART OF ANOTHER SUBREGION. (a) The procedures provided by Section 452.701(a) or (b) and Sections 452.703-452.708 apply to the addition to an authority of a municipality located in another subregion or the addition of another subregion.

(b) After an election as provided by Section 452.715(a), a subregional board shall be appointed under Subchapter N or O, as applicable, and the executive committee existing before the additional subregional board is appointed shall be modified to...
conform with Subchapter K. (V.A.C.S. Art. 1118y, Sec. 11(b) (part).)

Source Law

(b) . . . Should a principal city of another subregion or the other subregion choose to join the authority, the procedures outlined in Sections 3 and 4 of this Act shall apply. Following the conduct of an election as directed by Section 9 of this Act, a subregional board will be established according to either Section 6 or Section 7 of this Act. The executive committee existing before the additional subregional board is created will be modified to conform with Section 5 of this Act.

Revisor's Note

Section 11(b), V.A.C.S. Article 1118y, refers to Sections 3, 4, 5, 6, 7, and 9 of that article. The relevant portions of Sections 3 and 4 are revised as portions of Sections 452.701(a) and (b) and Sections 452.703 through 452.708 of this code. Section 5 is revised as Subchapter K of this chapter. Sections 6 and 7 are revised, respectively, as Subchapters O and N of this chapter. The relevant portion of Section 9 is revised as Section 452.715(a) of this code. The revised law reflects these citations.

Revised Law

Sec. 452.605. JOINING AUTHORITY: CERTAIN AUTHORITIES. (a) A municipality having a population of at least 250,000 according to the preceding federal census and located in a county that has no principal municipality with a population of more than 800,000 according to the preceding federal census may join a separate authority by complying with this chapter.

(b) If a municipality described by Subsection (a) joins a separate authority and another separate authority is subsequently established in a county that has no principal municipality of more than 800,000 population according to the preceding federal census, any municipality in that county that has voted to participate with any authority created under this chapter may at the time of the
creation of the new authority:
(1) remain in the authority that was created first;
(2) join the new authority in the county in which the municipality is located; or
(3) participate with both authorities.

(c) A municipality in which capital improvements have been made at its request by an authority must on its transfer to a different authority or participation with more than one authority continue to honor reimbursement obligations resulting from the improvements. (V.A.C.S. Art. 1118y, Sec. 11(c).)

Source Law

(c) A city of at least 250,000 according to the last preceding decennial census located in a county with a principal city having a population of less than 800,000 according to the last preceding decennial census may join a separate authority upon otherwise complying with the terms of this Act. In such event thereafter, should a separate authority be established in a county with a principal city of less than 800,000 population according to the last preceding decennial census, any city within such county which has voted to participate with any authority created pursuant to this Act shall have the following options at that time: to remain a part of the earlier created authority, to join the new authority in the county in which the city is located, or to participate with both authorities.

Provided that any such city wherein capital improvements have been previously made at its request by an authority must upon its transfer to a different authority or participation with more than one authority continue to honor reimbursement obligations resulting from such improvements.

Revised Law

Sec. 452.606. EXECUTIVE COMMITTEE APPROVAL OF ANNEXATION: EFFECTIVE DATE. (a) The addition of territory approved under Section 452.602 or 452.603 does not take effect if, before the effective date of the addition under Subsection (b), the executive committee of the authority gives written notice to the governing body of the municipality or the commissioners court of the county that held the election that the addition would create a financial hardship on the authority because:

(1) the territory to be added is not contiguous to the territory of the existing authority; or
(2) the addition of the territory would impair the imposition of the sales and use tax authorized by this chapter.

(b) In the absence of a notice under Subsection (a), the addition of territory approved under Section 452.602 or 452.603 takes effect on the 31st day after the date of the election.

(V.A.C.S. Art. 1118y, Sec. 11(g).)

Source Law

(g) Territory in which an election is held as provided in Subsection (b) or (d) of this section becomes a part of the authority on the 31st day after the election, if the voters approve the addition as provided in Subsection (b) or (d) of this section, and unless the executive committee of the authority notifies the appropriate governing body in writing before that date that the addition, because it is not contiguous to the existing authority or because the addition would impair the imposition of the sales and use tax authorized by this Act, would create a fiscal hardship on the authority.

Revised Law

Sec. 452.607. ADDED TERRITORY: EFFECTIVE DATE OF TAXES.

(a) A sales and use tax imposed by an authority under Subchapter I, other than a tax imposed by an authority created by a contiguous municipality and except as provided by Section 452.403, takes effect in territory added to the authority under this subchapter on the first day of the first calendar quarter that begins after the date the comptroller receives:

(1) a certified copy of an order adding the territory or of an order canvassing the returns and declaring the result of the election; and

(2) a map of the authority showing clearly the territory added.

(b) The presiding officer of the executive committee shall send the order and map required under Subsection (a) to the comptroller by certified or registered mail.

(c) The order must include the effective date of the tax.

(d) The comptroller may delay implementation of the sales and use tax in the added territory for one calendar quarter by
notifying the presiding officer of the executive committee before
the 11th day after the date on which the comptroller receives the
order and map under this section that the comptroller requires more
time. If implementation is delayed, the tax takes effect on the
first day of the second calendar quarter that begins after the date
on which the comptroller receives the order and map. This
subsection does not apply to an authority created by a contiguous
municipality.

(e) On the date of annexation of territory to a subregional
authority created by a contiguous municipality, a tax imposed by
the authority takes effect in the added territory. (V.A.C.S.
Art. 1118y, Secs. 11(f)(1), (2), 24(k)(2).)

Source Law

[Sec. 11]
(f)(1) If an authority adds territory or alters
its boundaries, the presiding officer of the executive
committee shall forward to the comptroller of public
accounts by United States registered mail or certified
mail a certified copy of the order adding territory to
the authority or of the order canvassing the returns
and declaring the result of the election. The order
shall reflect the effective date of the tax and shall
be accompanied by a map of the authority clearly
showing the territory added or detached.

(2) Except as provided by Subdivision (3)
of this subsection, on receipt of the order and map,
the tax imposed and authorized to be collected under
Section 16 of this Act shall be effective in the added
territory on the first day of the next succeeding
quarter. However, if the comptroller notifies the
presiding officer of the executive committee in writing
within 10 days after receipt of the order and map that
he requires more time, the comptroller shall be
entitled to delay implementation one whole calendar
quarter. Thereafter the tax shall be effective in the
added territory on the first day of the next succeeding
calendar quarter following the elapsed quarter.

[Sec. 24]
(k) ... (2) At the time territory is added to a
subregional transportation authority under the
provisions of this section, any tax which the executive
committee of the subregional transportation authority
has already been authorized to levy applies to the
added territory, beginning on the effective date of the
annexation.

Reviser's Note
Section 11(f)(2), V.A.C.S. Article 1118y, refers

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(3) is revised in Section 452.403 of this code, and the revised law reflects that citation.

Revisor's Note
(End of Subchapter)

Section 11(a), V.A.C.S. Article 1118y, provides that territory may be added to an authority only as provided by that section. The provision is omitted as unnecessary. No other law provides a way to add territory to an authority under that act. The omitted subsection reads:

Sec. 11. (a) Territory may be added to an authority only according to the provisions of this section.

[Sections 452.608-452.650 reserved for expansion]

SUBCHAPTER Q. WITHDRAWAL OF TERRITORY FROM
AUTHORITY; DISSOLUTION

Revised Law

Sec. 452.651. WITHDRAWAL OF UNIT OF ELECTION. (a) The governing body of a unit of election may order an election to withdraw the unit from an authority. An election ordered under this subsection for a unit of election located in an authority consisting of one subregion governed by a subregional board created under Subchapter O may not be held if the governing body rescinds the order and notice of the election before the 45th day before election day. The governing body shall promptly give notice of the rescission in the same manner as the notice of election given under Section 452.655.

(b) On the determination by a governing body of a unit of election that a petition for withdrawal under this chapter is valid, the governing body shall order an election to withdraw the unit of election from the authority.

(c) An election to withdraw may not be ordered, and a petition for an election to withdraw may not be accepted for
filing, more frequently than once during each period of 12 months
preceding the anniversary of the date of the election confirming
the authority. If the unit of election is located in an authority
consisting of one subregion governed by a subregional board created
under Subchapter O, an election for withdrawal of the unit of
election under this section may not be ordered, and a petition for
withdrawal may not be accepted, more frequently than once during
1996 and during each sixth calendar year after that year.

(V.A.C.S. Art. 1118y, Secs. 9A(b), (c) (part), (d).)

Source Law

(b) Subject to other provisions of this section,
the governing body of a unit of election may on its own
initiative call an election in the unit of election and
submit to the voters of the unit of election the
proposition prescribed by Subsection (f) of this
section. An election ordered under this subsection for
a unit of election located in an authority consisting
of one subregion governed by a subregional board
created under Section 6 of this Act is not held if the
governing body rescinds the order and notice of the
election before the 45th day before election day. The
governing body shall promptly give notice of the
rescission in the same manner as the notice of election
given under Subsection (e) of this section.

(c) . . . If the governing body determines that
the petition conforms with the requirements of this
section, the governing body, subject to the other
provisions of this section, shall call an election in
the unit of election . . . . If the governing body
determines that the petition conforms to the
requirements of this section, the governing body shall
call an election. . . .

(d)(1) An election for withdrawal in a unit of
election under this section, whether by governing body
initiative or by petition, may not be called more
frequently than once during:
(A) the 12-month period immediately
following the date of the election creating the
authority; or
(B) each 12-month period thereafter.

(2) Notwithstanding Subdivision (1) of
this subsection, if the unit of election is located in
a subregion governed by a subregional board created
under Section 6 of this Act, an election for withdrawal
of the unit of election under this section, whether by
governing body initiative or by petition, may be held
not more frequently than once during:
(A) each calendar year before
January 1, 1992;
(B) the calendar year of 1996; or
(C) every sixth calendar year after
1996.
Revisor's Note

(1) Sections 9A(b) and (d)(2), V.A.C.S. Article 1118y, refer to Section 6. Section 6 is revised as Subchapter 0 of this chapter and the revised law reflects this citation.

(2) Section 9A(c), V.A.C.S. Article 1118y, refers to a petition that "conforms to the requirements of this section." The revised law substitutes "valid" in reference to the petition to conform to the usage in Section 9A(g), which is revised in Section 452.652 of this code.

Revised Law

Sec. 452.652. PETITION FOR WITHDRAWAL ELECTION. (a) At the request of a qualified voter of a unit of election in an authority, the municipal secretary or other clerk or administrator of the unit of election shall deliver to the voter, in the number requested, petition signature sheets for a petition to withdraw from the authority prepared by, numbered, and authenticated by the municipal secretary or other official. During the period that signatures on the petition may be obtained, the official shall authenticate and deliver additional petition signature sheets as requested by the voter. Only one petition for withdrawal may be in circulation at a time.

(b) Each sheet of a petition must have a heading in capital letters as follows:

"THIS PETITION IS TO REQUIRE AN ELECTION TO BE HELD IN (name of the unit of election) TO DISSOLVE (name of authority) IN (name of the unit of election) SUBJECT TO THE CONTINUED COLLECTION OF SALES TAXES FOR THE PERIOD REQUIRED BY LAW."

(c) In addition to the requirements of Section 277.002, Election Code, to be valid a petition must:

(1) be signed on authenticated petition sheets by not
less than 20 percent, or not less than eight percent in a unit of
election in an authority consisting of one subregion governed by a
subregional board created under Subchapter O, of the number of
registered voters of the unit of election as shown on the voter
registration list of each county in which the unit of election is
located;

(2) be filed with the secretary, clerk, or
administrator of the unit of election not later than the 60th day
after the date that the first sheet of the petition was received
under Subsection (a);

(3) contain signatures that are signed in ink or
indelible pencil by the voter; and

(4) have affixed or printed on each sheet an affidavit
that is executed before a notary public by the person who
circulated the sheet and that is in the following form and
substance:

(A) for a unit of election in an authority not
described by Paragraph (B):

"STATE OF TEXAS
"COUNTY OF ____________

"I, ____________, affirm that I personally witnessed each signer affix his or her
signature to this page of this petition for the
dissolution of (name of authority) in the (name of unit
of election). I affirm to the best of my knowledge and
belief that each signature is the genuine signature of
the person whose name is signed and that the date
entered next to each signature is the date the
signature was affixed to this page.

"Sworn to and subscribed before me this the ___
day of __, ___.

(SEAL)

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Notary Public, State of Texas

(B) for a unit of election in an authority consisting of one subregion governed by a subregional board created under Subchapter O:

"STATE OF TEXAS

"COUNTY OF ____________

"I, ________________, affirm that I personally witnessed each signer affix his or her signature to this page of this petition for the dissolution of (name of authority) in the (name of unit of election). I affirm to the best of my knowledge and belief that each signature is the genuine signature of the person whose name is signed and that the date entered next to each signature is the date the signature was affixed to this page. I further affirm that I have verified that the signer is a registered voter and that the voter registration number on the petition is correct.

____________________

"Sworn to and subscribed before me this the ____

day of ___, ___.

(SEAL)

Notary Public, State of Texas"

(d) Each sheet of the petition must be filed under Subsection (c)(2) at the same time as a single filing. (V.A.C.S. Art. 1118y, Secs. 9A(g) (part), (h).)

Source Law

(g) A person who is a qualified voter of a unit of election may apply to and obtain from the city or town secretary or other clerk or administrator of the unit of election official numbered and properly authenticated petitions for withdrawal prepared by the city or town official in accordance with this subsection, in an amount requested by the person. Not more than one petition may be outstanding at any one time. The secretary, clerk, or administrator shall authenticate and deliver additional sheets to the person as requested during the period for obtaining
signatures. To be valid, a petition must contain the signatures of not less than 20 percent of the registered voters of the unit of election, as listed on the official voter registration lists of the county or counties in which the unit of election is located, except that if the unit of election is located in a subregion governed by a subregional board created under Section 6 of this Act, the petition must contain the signatures of not less than eight percent of the registered voters of the unit of election. The petition must be filed with the secretary, clerk, or administrator of the unit of election on or before the 60th day after the date the person received the first sheets of the petition.

(h)(1) Except as provided by Subdivision (2) of this subsection, the petition may consist of multiple sheets, each of which must be authenticated by the secretary, clerk, or administrator. Each sheet shall be headed with a statement in all capital letters regarding the nature of the petition as follows:

"THIS PETITION IS TO REQUIRE AN ELECTION TO BE HELD IN (name of the unit of election) TO DISSOLVE (name of authority) IN (name of the unit of election) SUBJECT TO THE CONTINUED COLLECTION OF SALES TAXES FOR THE PERIOD REQUIRED BY LAW."

An affidavit of the person who circulated each sheet shall be affixed or printed on each sheet in the following form and substance, and the affidavit shall be executed before a notary public:

"STATE OF TEXAS
COUNTY OF __________
I, __________, affirm that I personally witnessed each signer affix his or her signature, the date of signing, his or her voter registration number, and his or her residence address and zip code to this page of this petition for the dissolution of (name of authority) in the (name of unit of election). I affirm to the best of my knowledge and belief that each signature is the genuine signature of the person whose name is signed and that the date entered next to each signature is the date the signature was affixed to this page.

Sworn to and subscribed before me this the __________ day of ______, 19____

(SEAL)
Notary Public, State of Texas"

Each sheet of a petition shall be submitted at the same time and within the period specified in Subsection (g) of this section. Each person signing a petition must sign the petition in person in ink or indelible pencil and must personally enter beside his or her signature his or her current residence address and zip code, his or her correct voter registration number, and the date of signing. Any signature not accompanied correctly by all of the information required by this subsection is void and may not be counted in determining the validity of the petition.

(2) If the unit of election is located in a subregion having a principal city with a population larger than 800,000, the petition may consist of multiple sheets, each of which must be authenticated by the secretary, clerk, or administrator. Each sheet shall be headed with a statement in all capital letters regarding the nature of the petition as follows:
"THIS PETITION IS TO REQUIRE AN ELECTION TO
BE HELD IN (name of the unit of election)
TO DISSOLVE (name of authority) IN (name of
the unit of election) SUBJECT TO THE
CONTINUED COLLECTION OF SALES TAXES FOR THE
PERIOD REQUIRED BY LAW."

An affidavit of the person who circulated each sheet
shall be affixed or printed on each sheet in the
following form and substance, and the affidavit shall
be executed before a notary public:

"STATE OF TEXAS
COUNTY OF
I, , affirm that I personally
witnessed each signer affix his or her
signature to this page of this petition for
the dissolution of (name of authority) in
the (name of unit of election). I affirm
to the best of my knowledge and belief that
each signature is the genuine signature of
the person whose name is signed and that
the date entered next to each signature is
the date the signature was affixed to this
page. I further affirm that I have
verified that the signer is a registered
voter and that the registration number on
the petition is correct.

Sworn to and subscribed before me this the
______ day of ______, 19______.

(SEAL)

Notary Public, State of Texas"

Each sheet of a petition shall be submitted at the same
time and within the period specified in Subsection (g)
of this section. Each person signing a petition must
sign the petition in person in ink or indelible pencil
and must enter or have entered beside his or her
signature his or her current residence address and zip
code, his or her correct voter registration number, and
the date of signing. Any signature not accompanied
correctly by all of the information required by this
subsection is void and may not be counted in
determining the validity of the petition.

Revisor's Note

(1) Section 9A(g), V.A.C.S. Article 1118y,
refers only to petitions ". . . prepared by the city or
town official . . . ." The revised law adds a
reference to other officials because a unit of election
may include unincorporated areas of a county and
because other provisions of that section make clear
that applications for petitions may be made to a clerk
or administrator other than a city secretary, which
would include a clerk or administrator of a county for
a unit of election that is not a municipality.
(2) Section 9A(g), V.A.C.S. Article 1118y, refers to Section 6. Section 6 is revised as Subchapter O of this chapter and the revised law reflects that citation.

(3) Section 9A(h)(1), V.A.C.S. Article 1118y, requires that the signer of a petition must "personally enter beside his or her signature his or her current residence address and zip code, his or her correct voter registration number, and the date of signing."

Section 277.002, Election Code, contains a requirement of the same information and further provides that only the signature of the signer is required to be in the handwriting of the signer. The Election Code provision prevails over conflicting provisions of Section 9A(h) and for that reason the requirements in Section 9A(h)(1) are omitted.

(4) Sections 9A(h)(1) and (2), V.A.C.S. Article 1118y, provide that, "any signature not accompanied correctly by all of the information required by this subsection is void and may not be counted in determining the validity of the petition." These provisions are omitted as unnecessary. The law is clear that a signature or accompanying information that does not conform to the statutory requirements may not be counted.

Revised Law
Sec. 452.653. REVIEW OF PETITION. (a) The secretary, clerk, or administrator of a unit of election in which a petition for withdrawal from an authority is filed shall examine the petition and file with the governing body of the unit a report stating whether the petition, in the opinion of the secretary, clerk, or administrator, is valid.

(b) On receipt of a petition and a report under Subsection
(a), the governing body shall examine the petition to determine
whether the petition is valid. The governing body may hold public
hearings and conduct or order investigations as appropriate to make
the determination. The governing body's determination is
conclusive of the issues. (V.A.C.S. Art. 1118y, Secs. 9A(c)
(part), (g) (part).)

Source Law

(c) On receipt of a petition under Subsection
(g) of this section, the governing body of a unit of
election shall examine the petition. . . . The
governing body may call and hold public hearings and
may conduct or order any investigations the governing
body considers appropriate in making the determination
under this subsection. The governing body's
determination is conclusive of all issues
involved. . . .

(g) . . . The secretary, clerk, or
administrator shall examine the petition and file a
report to the governing body of the unit of election
stating whether, in the opinion of the secretary,
clerk, or administrator, the petition conforms to the
requirements of this section. On receipt of the
report, the governing body shall conduct its
examination as required by Subsection (c) of this
section. . . .

Revised Law

Sec. 452.654. INVALID PETITION. (a) The governing body of
a unit of election that receives an invalid petition shall reject
the petition.

(b) A petition that is rejected is void and the petition and
each sheet of the rejected petition may not be used in connection
with a subsequent petition. (V.A.C.S. Art. 1118y, Secs. 9A(c)
(part), (g) (part).)

Source Law

(c) . . . If the governing body determines that
the petition does not conform to the requirements of
this section, the governing body shall reject the
petition and may not call an election. A petition
rejected under this subsection is void and may not be
used in connection with any subsequent petitioning
process.

(g) . . . In the event a petition is determined
not to conform to the requirements of this section, a
sheet of signatures that is a part of the petition
containing valid signatures may not be used in
connection with any subsequent petitioning process.
Revisor's Note

Section 9A(c), V.A.C.S. Article 1118y, states, "[i]f the governing body determines that the petition does not conform to the requirements of this section, the governing body . . . and may not call an election."
The prohibition against calling an election is omitted because Section 9A(b), V.A.C.S. Article 1118y (revised as Section 452.651 of this code), authorizes the governing body to call an election on its own initiative. If the governing body rejects the petition as invalid, it could not be required to call an election because of the petition but would retain the option of calling an election on its own.

Revised Law

Sec. 452.655. ELECTION. (a) Except as provided by Subsection (b), an election to withdraw from an authority ordered under this subchapter must be held on the first applicable uniform election date occurring after the expiration of 12 calendar months after the date on which the governing body orders the election.

(b) A unit of election that is located in an authority consisting of one subregion governed by a subregional board created under Subchapter O shall hold the election on the applicable first uniform election date occurring after the expiration of 45 days after the date the governing body orders the election.

(c) The governing body shall give notice of the election to the executive committee of the authority, the Texas Department of Transportation, and the comptroller immediately on calling the election.

(d) At the election the ballot shall be printed to provide for voting for or against the proposition: "Shall the (name of authority) be continued in (name of unit of election)?"

(e) The election shall be held in the regular precincts and at the regular voting places. (V.A.C.S. Art. 1118y, Secs. 9A(b)
(b) ... the governing body ... may ... submit ... the proposition prescribed by Subsection (f) of this section. ...
(c) ... the governing body, subject to the other provisions of this section, shall ... and submit to the voters of the unit of election the proposition prescribed by Subsection (f) of this section. ...

(e) An election called under this section shall be held on the first uniform election date for that type of election under the Election Code following the expiration of 12 calendar months after the date the election is called, except that if the unit of election is located in a subregion governed by a subregional board created under Section 6 of this Act, the election shall be held on the first uniform election date for that type of election under the Election Code following the expiration of 45 days after the date the election is called. Immediately on calling an election, the governing body of the unit of election shall give notice of the election to the executive committee, the State Department of Highways and Public Transportation, and the comptroller of public accounts.

(f) In an election called under this section, the governing body of the unit of election shall submit the following proposition:

"Shall the (name of authority) be continued in (name of unit of election)?"

The election shall be held in the regular precincts and at the regular voting places of the unit of election in accordance with the Texas Election Code. The governing body of the unit of election shall canvass the returns of the election at the earliest practicable date after the election. ...
omitted from the revised law because Section 1.002, Election Code, provides that the Election Code applies to all elections in the state.

(4) Section 9A(f), V.A.C.S. Article 1118y, requires the governing body of the unit of election to canvass the returns of the election at the earliest practicable date after the election. This provision is omitted from the revised law because Section 67.003, Election Code, requires the canvass of any election to be made by the governing body of the authority that called the election and specifies the period during which the canvass must be conducted. The Election Code provisions prevail over the provision in Section 9A(f).

Revised Law

Sec. 452.656. RESULT OF WITHDRAWAL ELECTION. (a) If a majority of the votes received on the measure in an election held under Section 452.655 favor the proposition, the authority continues in the unit of election.

(b) If less than a majority of the votes received on the measure in the election favor the proposition, the authority ceases in the unit of election on the day after the date of the canvass of the election. (V.A.C.S. Art. 1118y, Sec. 9A(f) (part).)

Source Law

(f) . . . If a majority of the qualified voters voting at the election votes in favor of the proposition, the authority shall continue in the unit of election. If a majority of the qualified voters voting at the election votes against the proposition, the authority ceases to exist in the unit of election at midnight on the date the election returns are canvassed, . . . .

Revisor's Note

Section 9A(f), V.A.C.S. Article 1118y, provides that the authority in the district ceases at midnight on the day the returns of the election are canvassed. The revised law expresses this time as the day after
the canvass to be consistent with Section 9A(i) of the article, which provides that on the effective date of the withdrawal the authority shall cease transportation services in the unit of election.

Revised Law
Sec. 452.657. EFFECT OF WITHDRAWAL. (a) On the effective date of a withdrawal from an authority:

(1) the authority shall cease providing transportation services in the withdrawn unit of election; and

(2) the financial obligations of the authority attributable to the withdrawn unit of election cease to accrue.

(b) Withdrawal from an authority does not affect the right of the authority to travel through the territory of the unit of election to provide service to a unit of election that is a part of the authority.

(c) In a unit of election that withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter O, title to all real estate in the unit of election, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, vests in the unit of election if the unit of election by resolution claims the real estate and improvements within 30 days after the effective date of the election.

(d) If the real estate and improvements are within 30 days after the effective date of the election determined by the authority to be necessary for the continuation of service to the remaining units of election, the authority may retain the use of the real estate and improvements for not longer than 15 years or the duration of the authority's remaining federal grant obligation for the facility, whichever is longer. If the authority retains the use, the authority is responsible for all operation and maintenance costs of the facility. (V.A.C.S. Art. 1118y, Secs. 9A(f) (part), (i).)
(f) ... and the financial obligations of the authority attributable to the unit of election cease to accrue at that time.

(i) On the effective date of the withdrawal of a unit of election from an authority created under this Act, all public transportation services provided by the authority to the unit of election shall cease. The withdrawal, however, does not affect any existing or future rights of the authority to proceed through the corporate limits of the unit of election to continue uninterrupted service to other units of election that have not withdrawn or that become a part of the authority in the future. In a unit of election that withdraws from an authority consisting of one subregion governed by a subregional board created under Section 6 of this Act, title to all real estate and improvements thereto, except a right-of-way or an improvement to a right-of-way, made by the authority within the boundaries of the unit of election shall vest in the unit of election if the unit of election acts within 30 days of the effective date of the election by resolution to claim said real estate and improvements. In the event that the real estate and improvements are within 30 days of the effective date of the election determined by the authority to be necessary to the continuation of service to remaining units of election, the authority may retain the use of said real estate and improvements for a period not to exceed 15 years or the duration of the authority's remaining federal grant obligation for the facility, whichever is greater. If the authority retains the use, the authority shall be responsible for all operation and maintenance costs of the facility.

Revisor's Note

(1) Section 9A(i), V.A.C.S. Article 1118y, refers to Section 6. Section 6 is revised as Subchapter O of this chapter and the revised law reflects that citation.

(2) Sections 9A(j)(1) and (2), V.A.C.S. Article 1118y, provide in part that a withdrawal is subject to the state and federal constitution prohibiting the impairment of contracts. The provisions are omitted as unnecessary because the constitutional provisions are operative without statutory authorization. The omitted provisions read:

(j)(1) The withdrawal of a unit of election under this section is subject to the requirements of the constitutions of the United States of America and this state prohibiting the impairment of contracts...
(2) The withdrawal of a unit of election from a regional transportation authority consisting of one subregion governed by a subregional board created under Section 6 of this Act is subject to the requirements of the constitutions of the United States of America and this state prohibiting the impairment of contracts.

Revised Law

Sec. 452.658. COLLECTION OF SALES AND USE TAX AFTER WITHDRAWAL. (a) Until the amount of revenue from an authority's sales and use tax collected in a withdrawn unit of election after the effective date of withdrawal and paid to the authority equals the total financial obligation of the unit, the sales and use tax continues to be collected in the territory of the election unit.

(b) After the amount described by Subsection (a) has been collected, the comptroller shall discontinue collecting the tax in the territory of the unit of election. (V.A.C.S. Art. 1118y, Secs. 9A(j)(1) (part), (2) (part), (k) (part).)

Source Law

(j)(1) ... Except as provided by Subdivision (2) of this subsection, taxes shall continue to be collected in the unit of election until an amount of taxes equal to the total financial obligations of the unit of election to the authority has been collected. ... The comptroller of public accounts shall continue to collect taxes in the unit of election until an aggregate amount equal to the total financial obligation of the unit of election has been collected and actually paid to the authority. After that amount has been collected, the comptroller of public accounts shall discontinue collecting in the unit of election the taxes imposed under this Act.

(2) ... a unit of election from a regional transportation authority consisting of one subregion governed by a subregional board created under Section 6 of this Act ... Taxes shall continue to be collected in the unit of election until an amount of taxes equal to the total financial obligations of the unit of election to the authority has been collected. ...

(k) ... The comptroller of public accounts shall continue to collect taxes in the unit of election until an aggregate amount equal to the total financial obligation of the unit of election has been collected and actually paid to the authority. After that amount has been collected, the comptroller of public accounts shall discontinue collecting in the unit of election the taxes imposed under this Act.
Sec. 452.659. DETERMINATION OF TOTAL AMOUNT OF FINANCIAL OBLIGATIONS OF WITHDRAWN UNIT. (a) Except as provided by Section 452.660, the total financial obligation of a withdrawn unit of election to the authority is an amount equal to:

(1) the unit's apportioned share of the authority's outstanding obligations; and

(2) the amount, not computed in Subsection (a)(1), that is necessary and appropriate to allocate to the unit because of financial obligations of the authority that specifically relate to the unit.

(b) An authority's outstanding obligations under Subsection (a)(1) is the sum of:

(1) the obligations of the authority authorized in the budget of, and contracted for by, the authority;

(2) outstanding contractual obligations for capital or other expenditures, including expenditures for a subsequent year, the payment of which is not made or provided for from the proceeds of notes, bonds, or other obligations;

(3) payments due or to become due in a subsequent year on notes, bonds, or other securities or obligations for debt issued by the authority;

(4) the amount required by the authority to be reserved for all years to comply with financial covenants made with lenders, note or bond holders, or other creditors or contractors; and

(5) the amount necessary for the full and timely payment of the obligations of the authority, to avoid a default or impairment of those obligations, including contingent liabilities.

(c) The apportioned share of a unit's obligation or assets is the amount of the obligation or assets times a fraction, the numerator of which is the number of inhabitants of the withdrawing unit of election and the denominator of which is the number of inhabitants of the authority, including the number of inhabitants...
of the unit.

(d) The executive committee shall determine the amount of
each component of the computations required under this section,
including the components of the unit's apportioned share, as of the
effective date of withdrawal. The number of inhabitants shall be
determined according to the most recent and available applicable
data of an agency of the United States. (V.A.C.S. Art. 1118y,
Secs. 9A(j)(1) (part), (2) (part).)

Source Law

(j)(1) . . . To determine the amount of the
total financial obligations of the unit of election,
the executive committee shall compute, as of the date
of withdrawal, the total of: (1) the current
obligations of the authority authorized in the current
budget and contracted for by the authority; (2) the
amount of contractual obligations outstanding at that
time for capital or other expenditures in the current
or subsequent years, the payment of which has not been
made or provided for from the proceeds of notes, bonds,
or other obligations; (3) all amounts due and to
become due in the current and subsequent years on all
notes, bonds, or other securities or obligations for
debt issued by the authority and outstanding; (4) the
amount required by the authority to be reserved for all
years to comply with financial covenants made with
lenders, bond or note holders, or other creditors or
contractors; (5) any additional amount, which may
include an amount for contingent liabilities,
determined by the executive committee to be the amount
necessary for the full and timely payment of the
current and continuing obligations of the authority, to
avoid a default or impairment of those obligations; and
(6) any additional amount determined by the executive
committee to be necessary and appropriate to allocate
to the unit of election because of current and
continuing financial obligations of the authority that
relate specifically to the unit of election. The unit
of election's share of the financial obligations of the
authority under the first five computations required by
this subsection shall be in the same ratio that the
population of the unit of election has to the total
population of the authority, according to the most
recent and available population data of an agency of
the federal government, as determined by the executive
committee. The unit of election's total financial
obligation is the sum of the first five computations
required by this subsection plus the amount allocated
directly to the unit of election under the last
computation required by this subsection. . . .

(2) . . . Except as provided by
Subsection (1) of this section, to determine the amount
of the total financial obligations of the unit of
election, the executive committee shall compute, as of
the date of withdrawal, the total of: (1) the current
obligations of the authority authorized in the current
budget and contracted for by the authority; (2) the
amount of contractual obligations outstanding at that
time for capital or other expenditures in the current
or subsequent years, the payment of which has not been
made or provided for from the proceeds of notes, bonds,
or other obligations; (3) all amounts due and to
become due in the current and subsequent years on all
notes, bonds, or other securities or obligations for
debt issued by the authority and outstanding; (4) the
amount required by the authority to be reserved for all
years to comply with financial covenants made with
lenders, bond or note holders, or other creditors or
contractors; (5) any additional amount, which may
include an amount for contingent liabilities,
determined by the executive committee to be the amount
necessary for the full and timely payment of the
current and continuing obligations of the authority, to
avoid a default or impairment of those obligations; and
(6) any additional amount determined by the executive
committee to be necessary and appropriate to allocate
to the unit of election because of current and
continuing financial obligations of the authority that
relate specifically to the unit of election. The unit
of election's share of the financial obligations of the
authority under the first five computations required by
this subsection shall be in the same ratio that the
population of the unit of election has to the total
population of the authority, according to the most
recent and available population data of an agency of
the federal government, as determined by the executive
committee. The unit of election's total financial
obligation is the sum of the first five computations
required by this subsection plus the amount allocated
directly to the unit of election under the last
computation required by this subsection, . . . .

Revisor's Note
(1) Section 9A(j), V.A.C.S. Article 1118y, uses
the terms "current" and "current and continuing" with
reference to components of the computations required by
that subsection. "Current" is omitted as unnecessary
because that subsection requires the determinations for
the computations to be made as of the date of
withdrawal. Therefore, the component on the date of
withdrawal would be the "current" component.
"Continuing" is omitted as unnecessary because any
obligation that is legally binding continues until
paid. The term is not used to make a distinction
between obligations that are not enforceable and those
that are enforceable. Component (3) of the subsection
refers to "amounts due . . . on all notes . . . issued
by the authority and outstanding . . . ." The
reference to "outstanding" is omitted as unnecessary
because a note that is issued and is due (unpaid) is a note that is also outstanding.

(2) Section 9A(j), V.A.C.S. Article 1118y, refers to the "population" of the authority and the unit. The revised law substitutes "number of inhabitants" for "population" because "population" is defined by Section 311.005(3), Government Code (Code Construction Act), as determined by the last preceding federal census. Furthermore, Section 452.002 of this revision provides a different method to compute population if there has been no federal census in the preceding five years. Subsection (j) provides yet another standard for determining the number of people in the authority or unit. To avoid the general definitions of that term being applied to this section, "population" is not used.

Revised Law

Sec. 452.660. ADDITIONAL COMPUTATIONS FOR CERTAIN AUTHORITIES. (a) In addition to the amount determined under Sections 452.659(a)(1) and (2), the total financial obligations of a unit of election withdrawn from an authority consisting of one subregion governed by a subregional board created under Subchapter O include the amount of the cost incurred by the authority for any capital improvements transferred to the unit of election under Section 452.657(c), less the unit of election's share of the total amount of the unencumbered assets of the authority that consist of cash, cash deposits, certificates of deposit, and bonds, stocks, and other negotiable securities.

(b) The unit of election's share of the unencumbered assets of the authority under Subsection (a) is determined by the subregional board as an amount equal to the authority's total unencumbered assets described by Subsection (a), multiplied by the average of:
(1) the number of inhabitants of the unit of election divided by the number of inhabitants of all units of election of the authority; and

(2) the total sales tax contributed by the unit of election to the authority divided by the total sales tax contributed to the authority by all units of election of the authority.

(c) The number of inhabitants is determined as provided by Section 452.559(d). (V.A.C.S. Art. 1118y, Sec. 9A(j)(2) (part).)

Source Law

(2) . . . from a regional transportation authority consisting of one subregion governed by a subregional board created under Section 6 of this Act . . . plus the amount of the cost incurred by the authority for any capital improvements transferred to the unit of election under Subsection (i) of this section and less the unit of election's share, not to exceed the sum of the seven computations required by this subsection, of the total amount of the unencumbered assets of the authority that consist of cash, cash deposits, certificates of deposit, and bonds, stocks, and other negotiable securities. The unit of election's share of those assets is determined by the executive committee as an amount equal to the authority's total unencumbered assets described by this subdivision, multiplied by the average of the following:

(A) the population of the unit of election divided by the population of all units of election of the authority; and

(B) the total sales tax contributed by the unit of election to the authority divided by the total sales tax contributed to the authority by all units of election of the authority.

Reviser's Note

(1) Section 9A(j), V.A.C.S. Article 1118y, refers to Section 6. Section 6 is revised as Subchapter O of this chapter and the revised law reflects that citation.

(2) Section 9A(j), V.A.C.S. Article 1118y, refers to "population." The revised law refers, and provides a reference, to Section 452.559 for the reason stated in Reviser's Note (2) to that section.
Revised Law

Sec. 452.661. CERTIFICATION OF NET FINANCIAL OBLIGATION OF UNIT. The executive committee shall certify to a withdrawn unit of election and to the comptroller the total financial obligation of the unit to the authority as determined under this subchapter. (V.A.C.S. Art. 1118y, Secs. 9A(j)(l) (part), (k) (part).)

Source Law

(j)(l) ... The executive committee shall certify to the governing body of the unit of election and to the comptroller of public accounts the amount of the total financial obligation of the unit of election. ... 

(k) The executive committee shall certify to the governing body of the unit of election and to the comptroller of public accounts the amount of the total financial obligation of the unit of election. ...

Revised Law

Sec. 452.662. DISSOLUTION OF AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY. (a) The governing body of a contiguous municipality, at any time after confirmation of a subregional authority, may order an election for the dissolution of the authority. 

(b) The governing body of a contiguous municipality, before the first anniversary of the confirmation election confirming an authority created by the municipality, shall on receipt of a petition containing the signatures of at least 20 percent of the registered voters of the contiguous municipality order an election for the dissolution of the authority. 

(c) In an election ordered under Subsection (a) or (b) the following proposition shall be submitted to the voters: "Shall the (name of authority) be continued in the city of (name of city)?" 

(d) If the majority of votes received in the election do not favor the proposition, the subregional authority ceases to exist on the day after the date of the canvass of the election and all financial obligations of that unit of election stop accruing at that time.
(e) Taxes shall continue to be collected until all financial obligations of the subregional authority are paid and may not be collected after the payment of those obligations. (V.A.C.S. Art. 1118y, Sec. 24(h)(9).)

Source Law

(9) The governing body of any contiguous city, at any time after confirmation of a subregional transportation authority, may on its own volition or, for a period of one year following the date of a confirmation election shall, upon receipt of a petition containing signatures of at least 20 percent of the registered voters within the contiguous city call an election and offer the following proposition: "Shall the (name of authority) be continued in the city of (name of city)?" Should the majority of voters voting in the election vote against the proposition and thereby to dissolve the subregional transportation authority within the contiguous city, the subregional transportation authority shall cease to exist within the city as of 12 midnight on the date of the canvass of the election and all financial obligations of that unit of election will cease to accrue at that time. Taxes will continue to be collected until such time as all financial obligations of the subregional transportation authority are paid, at which time the taxes collected to support the subregional transportation authority shall cease within the contiguous city.

Revisor's Note

Section 24(h)(9), V.A.C.S. Article 1118y, refers to the time that the authority ceases to exist as being 12 midnight on the date of the canvass of the election. This time is expressed as the day after the date of the canvass to conform to a similar expression in Section 452.656 of this code.

Revisor's Note

(End of Subchapter)

(1) Section 9A(a), V.A.C.S. Article 1118y, provides that withdrawal from an authority "in accordance with this section" is the exclusive method of withdrawal. The provision is omitted from the revision as unnecessary because no other method of withdrawal is allowed. The omitted provision reads:

Sec. 9A. (a) A unit of election may withdraw from an authority created under
this Act only in accordance with this section. An attempt to withdraw from an authority in a manner other than that provided by this section is void.

(2) Section 9A(1), V.A.C.S. Article 1118y, provides for the financial obligations of an authority that withdraws before January 1, 1992. That provision is omitted because no unit of election has withdrawn from an authority. The omitted provision reads:

(1) A unit of election that is located in an authority consisting of one subregion governed by a subregional board that withdraws before January 1, 1992, is not obligated to the authority for any financial obligation remaining after making the computations required by Subsection (j) of this section.

[Sections 452.663-452.700 reserved for expansion]

SUBCHAPTER R. CREATION OF AUTHORITIES

Revised Law

Sec. 452.701. CREATION OF REGIONAL OR SUBREGIONAL AUTHORITY AUTHORIZED. (a) The governing body of a principal municipality, the commissioners court of the county of the principal municipality, or both of these bodies, from each subregion of a metropolitan area, may agree to initiate the process to create, by a motion of the body, a regional transportation authority to provide public and complementary transportation services in the area. The principal municipality, the county of the principal municipality, or both entities, in each subregion, may become the creating entity.

(b) The governing body of a principal municipality, the commissioners court of the county of the principal municipality, or both of these bodies, from any subregion of a metropolitan area, shall initiate the process to create a regional transportation authority to provide public and complementary transportation services for a metropolitan area on receipt of a petition requesting creation of an authority signed by at least five percent
of the registered voters of the principal municipality, county, or both, as appropriate. The entity to which a petition is presented has the primary responsibility for initiating the authority within a subregion. The principal municipality and the county of the principal municipality of any subregion, however, may by agreement share the responsibility or shift it from one to the other.

(c) If one subregion establishes an authority, the remaining subregion may establish a separate subregional authority as provided by this chapter. This subsection does not apply to an authority created by a contiguous municipality.

(d) The governing body of a contiguous municipality on its own motion may, and on presentation of a petition requesting the creation of a subregional authority and signed by at least five percent of the voters of the contiguous municipality shall, initiate the process to create a subregional authority:

(1) as an alternative to participation in a regional transportation authority;

(2) if the creation of a regional transportation authority in which the contiguous municipality could participate is not confirmed;

(3) if the contiguous municipality withdraws from a regional transportation authority and:

(A) the regional transportation authority in which the municipality had participated is abolished by act of the legislature or by a vote of the voters of the entire service area; or

(B) the sales tax authorized to be collected by the regional transportation authority of which the contiguous municipality was formerly a member is modified in a manner that would reduce the authority's annual revenue yield by one-half or more; or

(4) if a regional transportation authority in which the contiguous municipality could participate is dissolved.

(V.A.C.S. Art. 1118y, Secs. 3(1) (part), (2) (part), 12 (part), 74C263 JD-D 1953
Sec. 3. A regional transportation authority to provide public transportation and general transportation services may be created in a metropolitan area. The process for creating an authority must be initiated by one of the following methods:

(1) The governing body of a principal city and/or county of the principal city from each subregion may agree to initiate the process to create an authority on their own motions. The principal city and/or the county of the principal city in each subregion may become the creating entity.

(2) If a petition requesting creation of an authority signed by at least five percent of the registered voters of the creating entity is presented, the creating entity or entities receiving the petitions shall initiate the process for creating the authority. The entity to which a petition is presented has the primary responsibility for initiating the authority within a subregion. The principal city and county of the principal city of either subregion, however, may by mutual agreement share the responsibility or shift it to the other entity.

Sec. 12. In the event one subregion should establish a regional transportation authority, the remaining subregion may establish a separate regional transportation authority pursuant to this Act.

[Sec. 24] (b)...

A contiguous city may create a subregional transportation authority in accordance with this section as an alternative to participation in a regional transportation authority or in the event:

(A) the creation of a regional transportation authority in which the city could participate is not confirmed;

(B) a regional transportation authority in which the city could participate is dissolved; or

(C) the city withdraws from a regional transportation authority.

(d) Any such contiguous city may create a subregional transportation authority by one of the following methods:

(1) The governing body of a contiguous city may initiate the process to create a subregional transportation authority on its own motion.

(2) If a petition requesting creation of a subregional transportation authority signed by at least five percent of the registered voters of the contiguous city is presented, the governing body of the contiguous city shall initiate the process for creating the subregional transportation authority.

(i) The following sections of this Act shall not apply to subregional transportation authorities:

Sections] ... and 12.

(1)...

(2) A confirmation election held by a
contiguous city under the provisions of Subsection (h) of this section after its withdrawal from a regional transportation authority section may only be held if:

(A) a regional transportation authority in which the city had participated was abolished by act of the legislature or by a vote of the voters of the entire service area; or

(B) the sales tax authorized to be collected by a regional transportation authority in which it formerly was a member was modified in a manner that would reduce its annual revenue yield by one-half or more.

Revisor's Note

Part of Section 24(b)(3), V.A.C.S. Article 1118y, provides that nothing in the "Act" prohibits a contiguous city from creating an authority, and Section 24(f) of that article provides that the general procedure for the creation of an authority applies to the creation of a subregional authority by a contiguous municipality. The provisions are omitted as unnecessary because the revised law includes contiguous municipalities as creating entities, with exceptions as necessary to avoid conflicts and inapplicable provisions. The omitted provisions read:

[Sec. 24]

(b) ... (3) ... Nothing contained in this Act shall prohibit any such contiguous city from establishing a subregional transportation authority.

(f) Except as it may conflict with the intent or provisions of this section, the initiating procedure for a subregional transportation authority shall be the same as that provided in Section 4 of this Act. Where the word "principal city" is used therein, it shall mean "contiguous city" and where the word "authority" is used therein, it shall mean the "subregional transportation authority."

Revised Law

Sec. 452.702. JOINT OR MERGED SUBREGIONAL AUTHORITIES. (a) Separate subregional authorities may agree to merge.

(b) Two or more subregional authorities created by contiguous municipalities, by contract, may establish a joint
subregional authority having terms approved by the governing bodies
of the municipalities. (V.A.C.S. Art. 1118y, Secs. 11(h), 24(e)
(part).)

Source Law

[Sec. 11]
(h) Separate subregional authorities created
pursuant to this Act may voluntarily merge upon a
subsequent agreement between them.

[Sec. 24]
(e) The subregional transportation authorities
created in any two or more contiguous cities may
establish a joint subregional transportation authority
by contract with terms approved by the governing bodies
of the cities . . .

Revised Law

Sec. 452.703. INITIATING ORDER OR RESOLUTION: CONTENTS. To
initiate the process of creating an authority, the governing body
or commissioners court or both must adopt a resolution or order
containing:

(1) a description of the boundaries of the territory
proposed to be included in each subregion; and

(2) the designation of each time and place for holding
public hearings on the proposal to create the authority. (V.A.C.S.
Art. 1118y, Sec. 4(a).)

Source Law

Sec. 4. (a) The process shall be initiated by a
resolution or order of each creating entity containing
the following provisions:

(1) a description of the boundaries of the
territory proposed to be included in the subregion(s)
of the authority;

(2) designation of the time(s) and
place(s) agreed upon by the creating entity or entities
for holding public hearings on the proposal to create
the authority.

Revised Law

Sec. 452.704. BOUNDARIES OF AUTHORITY. (a) Except as
provided by Section 452.707, the territory proposed to be included
in an authority must contain all territory:

(1) in the county of the principal municipality; and
(2) in each unit of election that has the majority of its population in the county of the principal municipality.

(b) The territory may include territory in a county having a population of more than 52,000 adjacent to the county of the principal municipality.

(c) Notwithstanding Section 311.032, Government Code, or other law, this section is not severable. (V.A.C.S. Art. 1118y, Secs. 4(b), 26 (part), New.)

Source Law

[Sec. 4]

(b) The boundaries of the proposed authority shall include all territory in the county or counties of the principal city or cities and any additional territory in adjacent counties having more than 52,000 population that is included in the resolution(s) or order(s). A unit of election that has the majority of its population in a county of a principal city shall be included in the subregion of that principal city for the purposes of the initiating procedure.

Sec. 26. . . . It is provided, however, that the provisions of Subsection (b) of Section 4 of this Act are not severable in whole or in part.

Revisor's Note

Section 4(b), V.A.C.S. Article 1118y, makes no express exception to its requirements for inclusion of territory in a proposed authority. Sections 4(e) and (f) and Section 24 of that article do, however, provide some exceptions. The reference to the sections in which those exceptions are revised is added to the revision of this section to aid the reader.

Revised Law

Sec. 452.705. NOTICE OF HEARING. (a) Notice of the time and place of the public hearings on the creation of the authority, including a description of the territory proposed to be included in the authority, shall be published, beginning at least 30 days before the date of the hearing, once a week for two consecutive weeks in a newspaper of general circulation in each county of each principal municipality or contiguous municipality.
(b) The creating entities shall give a copy of the notice to the Texas Transportation Commission and the comptroller. (V.A.C.S. Art. 1118y, Sec. 4(c).)

Source Law

(c) Notice of the time and place of the public hearings, including a description of the area proposed to be included in the authority, shall be published once a week for two consecutive weeks in a newspaper of general circulation in each of the county or counties of the principal city or cities, the first publication to be not less than 30 days prior to the date fixed for the hearing. The creating entities shall submit to the State Highways and Public Transportation Commission and the comptroller of public accounts a copy of this notice.

Revisor's Note

(1) A reference to contiguous municipality is added to the revised law to conform the application of this section to contiguous municipalities. See the revisor's note to Section 452.701 of this code.

(2) Section 4(c), V.A.C.S. Article 1118y, refers to the "State Highways and Public Transportation Commission." The reference is changed to the current title of that commission, which is the Texas Transportation Commission. The revised law also substitutes "comptroller" for "comptroller of public accounts" because "comptroller" is defined as the state comptroller of public accounts by Section 312.011, Government Code.

Revised Law

Sec. 452.706. CONDUCT OF HEARING. (a) The entity or entities creating an authority shall conduct the public hearings on the creation.

(b) Any person may appear at a hearing and offer evidence on:

(1) the creation and boundaries of the authority;

(2) the operation of a public transportation system;
(3) the public utility and public interest served in
the creation of an authority; or

(4) other facts bearing on the creation of an
authority.

(c) A hearing may be continued until completed. (V.A.C.S.
Art. 1118y, Sec. 4(d).)

Source Law

(d) The creating entity or entities shall
conduct the hearings at the time and place specified in
the notice and may continue the hearings from day to
day and from time to time until completed. Any
interested person may appear and offer evidence
concerning the boundaries and creation of the
authority, operation of a regional transportation
system, and whether creation of an authority would be
of public utility and in the public interest as well as
any other facts bearing upon the creation of an
authority.

Revised Law

Sec. 452.707. PARTICIPATION BY OTHER ENTITIES. (a) Before
the confirmation election, the governing body of each municipality
located in the proposed authority, by resolution, and the
commissioners court of each county in which unincorporated areas
are located in the proposed authority, by order, may confirm the
participation of the municipality or county in the process of
developing an initial service plan and rate of tax.

(b) This chapter does not require a contiguous municipality
to be a part of or participate in a regional transportation
authority. Within 60 days after the date of initiation of the
process provided by Section 452.701 by a principal municipality or
a county of the principal municipality, a contiguous city may by
resolution of its governing body refuse to participate in the
proposed regional transportation authority. If a contiguous city
refuses to participate in the regional transportation authority,
the boundaries of the contiguous municipality shall be excluded
from the regional transportation authority proposed or created by
the principal municipality or county of the principal municipality
and may not be included in the initiating process or the
confirmation procedure for the proposed authority.

(c) If proceedings to create a regional transportation authority are begun, the territory included in a subregional transportation authority created by a contiguous municipality is excluded from the proceedings and the contiguous municipality need not comply with Subsection (b). (V.A.C.S. Art. 1118y, Secs. 4(e) (part), (f) (part), 24(a) (part), (b)(3) (part), (c).

Source Law

[Sec. 4] (e) The governing body of each city located within the boundaries of the proposed authority may by resolution confirm the participation of its city in the process established in Sections 5, 6, 7, 8, and 9 of this Act to develop an initial service plan and rate of tax prior to the confirmation election. ...

(f) The commissioners court of each county in which unincorporated areas are located within the boundaries of the proposed authority may by order confirm the participation of the unincorporated areas in the process established in Sections 5, 6, 7, 8, and 9 of this Act to develop an initial service plan and rate of tax prior to the confirmation election. ...

Sec. 24. (a) Nothing contained in this Act shall require any city to be a part of or participate in the regional transportation authority provided herein. ...

(b) (3) If, while a subregional transportation authority created under this section is in existence, proceedings to create a regional transportation authority are begun, the territory included in the subregional transportation authority is excluded from the proceedings and the contiguous city need not comply with Subsection (c) of this section. ...

(c)(1) Within 60 days after initiation of the process provided in Section 3 of this Act by a principal city or a county of the principal city, a contiguous city may elect by resolution of its governing body not to participate in the regional transportation authority established by a principal city or county of a principal city.

(2) In the event such contiguous city shall elect not to participate in the regional transportation authority provided in this Act, its boundaries shall be excluded from the regional transportation authority proposed or created by the principal city or county of the principal city and shall not be included in the initiating process of said principal city or county of the said principal city as provided in Section 4 of this Act and the confirmation procedure of Section 9 of this Act.
Revisor's Note
Sections 4(e) and (f), V.A.C.S. Article 1118y, refer to the process under Sections 5, 6, 7, 8, and 9 of that article to develop an initial service plan and rate of tax. The relevant portions of those sections are revised in this subchapter and the revised law reflects that citation.

Revised Law
Sec. 452.708. RESOLUTION OR ORDER. (a) After hearing the evidence presented at the hearings, but not earlier than 75 days after the date the process is initiated by the creating entity, each creating entity may adopt a resolution or order:
(1) designating the name of the authority;
(2) listing the names of the municipalities the governing bodies of which, and listing the unincorporated areas the county commissioners courts of which, have confirmed initial inclusion in the authority; and
(3) authorizing the appointment of the interim subregional boards and interim executive committee.
(b) After the hearing, the results of the hearing and the boundaries set by the creating entities shall be sent to the Texas Department of Transportation and the comptroller. (V.A.C.S. Art. 1118y, Secs. 4(g) (part), (h).)

Source Law
(g) After hearing the evidence presented at the hearings, but no earlier than 75 days after the process has been initiated by the creating entity or entities, the creating entity or entities shall each adopt the resolution or order designating the name of the authority, listing the names of the cities whose governing bodies and the unincorporated areas whose county commissioners courts have confirmed initial inclusion in the authority, and authorizing appointment of the interim subregional boards and interim executive committee. . . .
(h) After the hearing, the results of the hearing and the boundaries set by the creating entities shall be submitted to the State Highways and Public Transportation Commission and the comptroller of public accounts.

74C263 JD-D 1961
Revised Law

Sec. 452.709. FAILURE OF OTHER ENTITIES TO JOIN. A creating entity may continue the initiation or creation process alone if:

1. any other entity that is in another subregion and that is authorized under Section 452.701(a) or (b) to initiate the process does not initiate the process within 60 days after the date the first creating entity initiates the process;

2. the governing body of a municipality, or the commissioners court of an unincorporated area, in a proposed authority does not confirm participation under Section 452.707; or

3. the governing body of another creating entity does not adopt the resolution or order described by Section 452.708(a).

Source Law

[Sec. 3]

(1) ... If the creating entity in one subregion initiates the process and a creating entity in the other subregion does not initiate the process within 60 days, the first subregion may proceed on its own.

(2) ... If the creating entity in one subregion initiates the process and a creating entity in the other subregion does not initiate the process within 60 days, the first subregion may proceed on its own.

[Sec. 4]

(e) ... If a governing body fails to so confirm within 60 days after the process has been initiated by the creating entity or entities, the creating entity or entities and those governing bodies that have so confirmed may proceed on their own without the participation of the nonconfirming governing bodies.

(f) ... If a commissioners court fails to so confirm within 60 days after the process has been initiated by the creating entity or entities, the creating entity or entities and those commissioners courts that have so confirmed may proceed on their own without the participation of the nonconfirming commissioners courts.

(g) ... If one creating entity fails to adopt this resolution or order within 60 days of the action of the other creating entity, the first creating entity may proceed on its own.

Revised Law

Sec. 452.710. INTERIM SUBREGIONAL BOARD. (a) After the
adoption of the resolution or order authorizing the appointment of the interim subregional board, the appointments shall be made.

(b) The interim subregional board of a subregion that has no principal municipality with a population of more than 800,000 is composed of nine members appointed as provided by Section 452.562(b). (V.A.C.S. Art. 1118y, Secs. 7(a), (b) (part); New.)

Source Law

Sec. 7. (a) The subregional board in a subregion having a principal city with population less than 800,000 shall be organized in accordance with this section.
(b) The interim subregional board shall be comprised of nine members appointed as follows:...

Revisor's Note

V.A.C.S. Article 1118y does not contain a general express provision requiring the appointment of interim subregional boards, but the article makes clear that those appointments are necessary to carry out the initiation process. For example, Section 5(b), V.A.C.S. Article 1118y, requires the subregional boards to select the representatives of the interim executive committee. The revised law adds a requirement for the appointment of an interim subregional board so the creation process can be provided in full in the order of the procedural steps to be taken.

Revised Law

Sec. 452.711. INTERIM EXECUTIVE COMMITTEE. (a) Each subregional board shall select its representative to the interim executive committee before the confirmation election.
(b) The interim executive committee, after its organization, shall develop a service plan and determine a proposed tax rate. (V.A.C.S. Art. 1118y, Secs. 5(b) (part), 9(a) (part), 24(h)(1) (part).)

74C263 JD-D 1963
Source Law

[Sec. 5] (b) Before the confirmation election, the subregional boards shall select their representatives to the executive committee.

Sec. 9. (a) After the interim executive committee has organized, it shall develop a service plan and a rate of tax that it desires to levy.

[Sec. 24] (h)(1) After the interim executive committee has organized, the committee shall develop a proposed service plan and determine the proposed rate of tax that it desires to levy.

Revised Law

Sec. 452.712. APPROVAL OF SERVICE PLAN AND TAX RATE. (a) Not later than the 45th day after the date the interim executive committee approves the service plan and tax rate, the governing body of each municipality having territory in the authority and the commissioners court of each county having unincorporated area in the authority must approve, by resolution or order, the service plan and tax rate.

(b) A municipality or unincorporated area that does not give its approval under Subsection (a) may not participate in the service plan or the confirmation election order for the authority.

(c) The interim executive committee may not order a confirmation election in a subregion for which the governing body of the principal municipality does not approve the service plan and tax rate.

(d) In a subregion that has no principal municipality with a population of more than 800,000, the tax rate must be approved by the commissioners court before the confirmation election.

(e) Subsections (a)-(d) do not apply to an authority created by a contiguous municipality. The interim executive committee of a subregional authority created by a contiguous municipality shall submit the proposed plan and proposed tax rate to the governing body of the contiguous municipality. The governing body may:

(1) change the proposed plan or tax rate, or both the proposed plan and tax rate; or
(2) approve the proposed plan and tax as submitted.

(V.A.C.S. Art. 1118y, Secs. 9(a) (part), 12 (part), 17 (part), 24(h)(1) (part).)

Source Law

Sec. 9. (a) . . . After the interim executive committee approves a service plan and a rate of tax that it desires to levy, the governing body of each city acting on behalf of the city and the commissioners court in the county of each unincorporated area acting on behalf of the unincorporated area may by resolution or order approve the service plan and rate of tax. If any governing body or commissioners court fails to so approve within 45 days after the interim executive committee has approved a service plan and rate of tax, the city or the unincorporated area upon whose behalf the governing body or commissioners court acts shall not participate in the service plan nor in a confirmation election that shall be called by the interim executive committee in accordance with the provisions of this section; provided, however, that if the governing body of the principal city of a subregion does not approve the service plan and rate of tax, the interim executive committee shall not call a confirmation election in that subregion.

Sec. 12. . . . In a separate subregion with a principal city of less than 800,000, the tax rate shall be approved by the commissioners court before the confirmation election as provided in Section 9 of this Act.

Sec. 17. . . . In a subregion with a principal city of less than 800,000, the tax rate shall be approved by the commissioners court before the confirmation election as provided in Section 9 of this Act.

[Sec. 24]

(h)(1) . . . The executive committee shall submit the proposed plan and proposed rate of tax to the governing body of the contiguous city. The governing body may change the proposed plan and/or proposed rate of tax or approve the plan and/or tax as submitted. . . .

Revised Law

Sec. 452.713. APPROVAL OF SERVICE PLAN AND NOTICE OF INTENT TO ORDER ELECTION. (a) Not earlier than the 61st day after the date the interim executive committee approves a service plan and tax rate, the interim executive committee shall:

(1) modify the approved service plan and tax rate only as necessary to conform to the nonparticipation of municipalities or unincorporated areas in the service plan and approve the
modified service plan and tax rate; and

(2) notify the commissioners court of each county included in whole or in part within the initial boundaries of the authority of the interim executive committee's intention to call a confirmation election.

(b) A changed service plan and rate of tax must be approved by the governing body of a contiguous municipality creating a subregional authority. Subsection (a) does not apply to an authority created by a contiguous municipality. (V.A.C.S. Art. 1118y, Secs. 9(b) (part), 24(h)(1) (part)).

Source Law

[Sec. 9]

(b) Not earlier than 60 days after the interim executive committee has approved a service plan and rate of tax, the interim executive committee shall:

(1) finally approve a service plan and rate of tax after modifying its approved service plan and rate of tax only to reflect the nonparticipation of certain cities or unincorporated areas in the service plan; and

(2) notify the commissioners court of each county included in whole or in part within the initial boundaries of the authority of its intention to call a confirmation election. . . .

[Sec. 24]

(h)(1) . . . After approving the proposed or changed plan and tax, the governing body . . . .

Reviser's Note

Section 24(h), V.A.C.S. Article 1118y, provides a separate procedure for the creation of an authority by a contiguous municipality. The exception to the application of Subsection (a) of the revised law is added to ensure the separate procedure.

Revised Law

Sec. 452.714. CREATION OF UNITS OF ELECTION. (a) Within 30 days after the date the commissioners court receives a notice under Section 452.713(a)(2), the commissioners court, by order, shall designate not more than five units of election in the unincorporated area of the county.
(b) The boundaries of each designated unit of election must coincide with a county voting precinct so that, to the extent practicable, no county voting precinct is divided between two or more designated units of election. (V.A.C.S. Art. 1118y, Sec. 9(b) (part).)

Source Law

(b) . . . Within 30 days after receipt of the notice, each commissioners court by order shall create not more than five designated units of election in the unincorporated portion of the appropriate county. Each designated unit of election shall have outer boundaries, to the extent practicable, that coincide with a boundary of a county voting precinct so that insofar as practicable no county voting precinct is divided between two different designated election areas.

Revised Law

Sec. 452.715. CONFIRMATION ELECTION. (a) The interim executive committee, or the governing body of a contiguous municipality for the creation of a subregional authority by that municipality, in ordering the confirmation election shall submit to the qualified voters of each municipality and unincorporated area participating in the election in the authority the following proposition:

"Shall the creation of (name of authority) be confirmed and shall the levy of the proposed tax, not to exceed (rate), be authorized?"

(b) In addition to other information required by law, the notice of the election must include a description of the nature and rate of the proposed tax.

(c) An election to confirm an authority created by a contiguous municipality may not be held on the same day as a withdrawal election held in accordance with Subchapter Q. (V.A.C.S. Art. 1118y, Secs. 9(c), (d) (part), 24(h)(2), (3) (part), (1)(1)).

Source Law

[Sec. 9]

74C263 JD-D 1967
(c) When the executive committee orders a confirmation election, it shall submit to the qualified voters of cities and unincorporated areas participating in the election within the authority the following proposition:

"Shall the creation of (name of authority) be confirmed and shall the levy of the proposed tax, not to exceed (rate), be authorized?"

(d) The notice of the election shall include a description of the nature and rate of the proposed tax.

[Sec. 24]

(h) When the governing body of the contiguous city orders a confirmation election, it shall submit to the qualified voters within the subregional transportation authority the following proposition:

"Shall the creation of (name of authority) be confirmed and shall the levy of a sales tax at a rate not to exceed percent be authorized?"

(3) The notice of the election shall include a description of the nature and rate of the proposed tax.

(1)(1) A confirmation election held under the provisions of Subsection (h) of this section may not be held on the same day as a withdrawal election held in accordance with Section 9A of this Act.

Reviser's Note

Section 9A, V.A.C.S. Article 1118y, refers to Section 9A of that article, which is revised as Subchapter Q of this chapter, and the revised law reflects that citation.

Revised Law

Sec. 452.716. CONDUCT OF ELECTION: SEPARATE TABULATIONS.
(a) A confirmation election shall be conducted so that the votes are separately tabulated and canvassed in each participating unit of election in the authority.

(b) The executive committee shall canvass the returns and declare the results of the election separately with respect to each unit of election.

(c) The governing body of a contiguous municipality shall canvass the returns of the confirmation election ordered by the municipality to create an authority and declare the results of the election. (V.A.C.S. Art. 1118y, Secs. 9(e), (f) (part), 24(h)(4)
Sec. 9
(e) The election shall be conducted so that votes are separately tabulated and canvassed in each participating unit of election within the authority.
(f) ... to the executive committee, which shall canvass the returns and declare the results separately with respect to each unit of election. . . .

Sec. 24
(h)(4) . . . the governing body of the contiguous city that ordered the election, which shall canvass the returns and declare the results of the election . . . .

Sec. 452.717. RESULTS OF ELECTION; ORDER. (a) In each unit of election in which a majority of the votes received in the unit favor the proposition, the authority is confirmed and continues inclusive of each of those units, except that the authority ceases in every unit of election in a subregion if the authority is not confirmed:
(1) in the principal municipality of the subregion; or
(2) in contiguous units of election in the subregion in which the population when aggregated in all those units exceeds 300,000.

(b) The interim executive committee may exclude from the authority and proposed tax a unit of election because the unit is not contiguous to the existing authority and would create a fiscal hardship on the authority. The committee shall notify the appropriate governing body in writing that the unit is excluded under this subsection.

(c) If the authority continues, the interim executive committee shall record the results in its minutes and adopt an order:
(1) declaring that the creation of the authority is confirmed;
(2) describing the territory of the authority;
(3) stating the date of the election;
(4) containing the proposition; 
(5) showing the number of votes cast for or against the proposition in each unit of election; and 
(6) showing the number of votes by which the proposition was approved in each unit of election in which the proposition was approved.

(d) The order must be accompanied with a map of the authority that shows the boundaries of the authority.

(e) A certified copy of the order and map shall be filed with:

(1) the Texas Department of Transportation; and
(2) the comptroller.

(f) If the authority does not continue, the interim executive committee shall enter an order declaring that the result of votes cast at the election is that the authority ceases in its entirety. The order shall be filed with the Texas Department of Transportation and the comptroller, and the authority is dissolved.

(V.A.C.S. Art. 1118y, Secs. 9(f) (part), (g).)

Source Law

(f) ... In those units of election where a majority of the votes cast is in favor of the confirmation of the creation of the authority and the levy of the proposed tax, the authority shall continue to exist; except that unless the vote is favorable in the unit of election which includes the principal city, or in contiguous units of election where the population when aggregated in all the units exceeds 300,000, the authority shall cease to exist in that subregion. If the votes cast are such that the authority will continue to exist in either or both subregions, the executive committee shall enter the results on its minutes and adopt an order declaring that the creation of the authority is confirmed and describing the territory which comprises the authority. All units of election approving the authority and proposed tax shall be included in the authority, if their subregion is included, unless the executive committee of the authority notifies the appropriate governing body in writing that it is excepted from the authority and proposed tax because it is not contiguous to the existing authority and would create a fiscal hardship on the authority. A certified copy of the order adopted by the executive committee shall be filed with the State Highways and Public Transportation Commission and the comptroller of public accounts. The order shall reflect the date of the election, the proposition voted on, the total number of votes cast for and against the proposition in each unit of election, and
the number of votes by which the proposition was
approved in each election unit and shall be accompanied
by a map of the authority clearly showing the
boundaries of the authority.

(g) If the votes cast are such that the
authority ceases to exist in its entirety, the
executive committee shall enter an order so declaring
and file a certified copy of the order with the State
Highways and Public Transportation Commission and the
comptroller of public accounts, and the authority shall
be dissolved.

Revisor's Note

(1) The revised law refers to "comptroller" and
omits "of public accounts" because Section 312.011,
Government Code, applicable to the revised law,
defines "comptroller" to mean the state comptroller of
public accounts.

(2) Sections 9(f) and 24(h)(4), V.A.C.S. Article
1118y, refer to the canvassing of the results of the
election and the return of the ballots by precinct
officers. These provisions are omitted as unnecessary
because the conduct of elections, including the
tabulation of votes and the canvassing of the returns,
is governed by Title 6, Election Code. The omitted
provisions read:

[Sec. 9]
(f) Immediately after the election,
the presiding judge of each election
precinct shall return the results to the
executive committee, . . . .

[Sec. 24]
(h) . . . (4) Immediately after the
election, the presiding judge of each
election precinct shall return the results
to [the governing body of the contiguous
city that ordered the election,] . . . .

Revised Law

Sec. 452.718. RESULTS OF ELECTION IN CONTIGUOUS
MUNICIPALITIES. After the confirmation election for a subregional
authority created by a contiguous municipality, the governing body
of the contiguous municipality shall adopt an order declaring,
according to the results of the confirmation election, that the
subregional authority is confirmed or ceases to exist. If the
subregional authority ceases to exist, the governing body of the
contiguous municipality shall record an order in its minutes so
deciding and file a certified copy of the order with the Texas
Department of Transportation. On the filing the subregional
authority is dissolved. (V.A.C.S. Art. 1118y, Sec. 24(h)(4)
(part), (5).)

Source Law
(4) ... and adopt an order declaring
that the creation of the subregional transportation
authority has been confirmed or disapproved, as the
case may be.
(5) If the votes cast are such that the
subregional transportation authority ceases to exist in
its entirety, the governing body of the contiguous city
that ordered the election shall enter an order so
deciding and file a certified copy of the order with
the State Highway and Public Transportation Commission,
and the authority shall be dissolved.

Revised Law
Sec. 452.719. COST OF ELECTION. A creating entity shall pay
the cost of the confirmation election. (V.A.C.S. Art. 1118y, Secs. 9(h), 24(h)(6).)

Source Law
[Sec. 9]
(h) The cost of the confirmation election shall
be paid by the creating entity or entities.

[Sec. 24]
(h) ... (6) The cost of the confirmation election
shall be paid by the contiguous city.

Revised Law
Sec. 452.720. EXPIRATION OF UNCONFIRMED AUTHORITY. An
authority that has not been confirmed expires on the third
anniversary of the effective date of the resolutions or orders
initiating the process to create the authority. (V.A.C.S. Art. 1118y, Secs. 9(j), 24(h)(8).)

Source Law
[Sec. 9]
(j) If the continued existence of an authority

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is not confirmed by election within three years after
the effective date of the resolution(s) or order(s)
initiating the process to create the authority, the
authority ceases to exist on the expiration of the
three years.

[Sec. 24]

(h) . . .

(8) If the continued existence of a
subregional transportation authority is not confirmed
by election within three years after the effective date
of the resolution(s) or order(s) initiating the process
to create the subregional transportation authority, the
subregional transportation authority ceases to exist on
the expiration of the three years.

Revisor's Note
(End of Chapter)

(1) Section 1, V.A.C.S. Article 1118y, contains
legislative findings relating to the need or
justification for the creation of metropolitan rapid
transit authorities. The findings are omitted from the
revised law as executed. The omitted provision reads:

Art. 1118y
Sec. 1. The legislature finds that:
(1) An increasing proportion
of the state's population is located in its
rapidly expanding metropolitan areas;
(2) The concentration of
population in such areas is accompanied by
a corresponding concentration of motor
vehicles that emit pollutants into the air
and consume great quantities of limited
energy resources;
(3) Such concentration of
motor vehicles places an undue burden on
existing streets, freeways, and other
traffic ways, resulting in serious
vehicular traffic congestion that retards
mobility of persons and property and
adversely affects the health and welfare of
the citizenry; and
(4) Mobility for all citizens,
which must include alternatives to the
private passenger motor vehicle, is
essential to the continued growth and
maintenance of economic vitality of these
metropolitan areas.

(2) Section 24(b)(1), V.A.C.S. Article 1118y, is
omitted as unnecessary in the revision. Section 24
provides for the creation and operation of authorities
created by contiguous municipalities. Many other
provisions of Article 1118y apply to authorities
created under Section 24, and the revised law places
the references to authorities created under Section 24 with those other provisions as necessary. The omitted provision reads:

(b)(1) This section applies to the creation, powers, duties, administration, and dissolution of subregional transportation authorities only in contiguous cities.

(3) Section 24(i), V.A.C.S. Article 1118y, identifies certain provisions of the article that are not applicable to an authority created by a contiguous city. Sections 5, 6, 7, and 8, revised as Subchapters K, O, N, and M of this chapter, respectively, apply by their express terms only to certain executive committees and boards. The provisions of Section 9 of the article, which provide for the confirmation election, and those provisions of Section 24 that provide for the confirmation election of an authority created by a contiguous municipality are merged in Subchapter R of the revision. Although Section 9 does not apply to such an authority, many of the provisions of the two sections are the same. Subchapter R is drafted to avoid duplication of the same provisions but to keep the differences specified by Section 24. The omitted provision reads:

[(i) The following sections of this Act shall not apply to subregional transportation authorities:
Sections] . . . 6, 7, 8, 9 . . . . (4) The revision omits the portion of Section 26, V.A.C.S. Article 1118y, providing that the article is severable, because that provision duplicates Section 311.032, Government Code (Code Construction Act), applicable to the revised law, and Section 312.013, Government Code. These provisions state that a provision of a statute is severable from each other provision of the statute that can be given effect.
omitted portion reads:

Sec. 26. If any word, phrase, clause, paragraph, sentence, part, or provision of this Act or the application thereof to any person or circumstance shall be held to be invalid or unconstitutional, the remainder of the Act shall nevertheless be valid, and the legislature hereby declares that this Act would have been enacted without such invalid or unconstitutional word, phrase, clause, paragraph, sentence, part, or provision.

CHAPTER 453. MUNICIPAL TRANSIT DEPARTMENTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 453.001. DEFINITIONS .......................... 1977
Sec. 453.002. EXCLUDED MUNICIPALITIES ............... 1979
Sec. 453.003. CONTINUING APPLICATION OF CHAPTER .......... 1980
[Sections 453.004-453.050 reserved for expansion]

SUBCHAPTER B. CREATION AND ADMINISTRATION OF TRANSIT DEPARTMENT

Sec. 453.051. CREATION OF TRANSIT DEPARTMENT ............ 1981
Sec. 453.052. ADMINISTRATION OF TRANSIT DEPARTMENT ........ 1982
Sec. 453.053. BOARD .................................. 1982
Sec. 453.054. BOARD MEETINGS .......................... 1983
Sec. 453.055. CONFLICTS OF INTEREST: TRANSIT DEPARTMENT EMPLOYEES .................... 1983
Sec. 453.056. TRANSFER OF MUNICIPAL RESOURCES TO TRANSIT DEPARTMENT .................. 1984
Sec. 453.057. INVESTMENTS ............................ 1985
Sec. 453.058. ACCOUNTS AND DEPOSIT OF MONEY; DEDICATION OF MONEY .......................... 1986
Sec. 453.059. LIABILITY OF CREATING MUNICIPALITY ............ 1986
[Sections 453.060-453.100 reserved for expansion]

SUBCHAPTER C. POWERS OF TRANSIT DEPARTMENT

Sec. 453.101. POWERS APPLICABLE TO TRANSIT DEPARTMENT HAVING TAX .......................... 1987
Sec. 453.102. ACQUIRING AND DISPOSING OF PROPERTY ............ 1987
Sec. 453.103. TRANSIT DEPARTMENT SYSTEM ................... 1989
Sec. 453.104. FARES AND OTHER CHARGES ........................ 1991