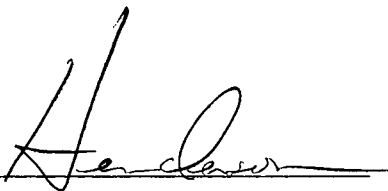


By 

S.B. No. 970

A BILL TO BE ENTITLED

AN ACT

relating to financing, constructing, and operating certain
causeways, bridges, and tunnels by certain counties.

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

SECTION 1. Section 4, Chapter 304, Acts of the 50th
Legislature, Regular Session, 1947 (Article 6795b-1, Vernon's Texas
Civil Statutes), is amended to read as follows:

Sec. 4. The bonds issued hereunder may be authorized by
resolution or order at one time or from time to time. Bonds
payable from gross or net revenues may be authorized by and issued
under a resolution or order of the Commissioners Court of the
county issuing the bonds, and no other authorization or approval is
required. However, the bonds may be presented to the Attorney
General as provided by Section 2 of this article. If such bonds
are payable in whole or in part from the revenues to be derived
from the operation of the project, it shall be the mandatory duty
of the county, which duty may be executed by an operating board
appointed pursuant to Section 5b hereof, to impose such tolls and
charges for use of the project as will be fully sufficient, when
taken with any other funds or revenues available for such purposes,
including ad valorem taxes, to pay the maintenance and operating
expenses [~~which are charged against the revenues~~] of the project,
to pay the principal of and premium, if any, and interest on the
bonds when due, to establish such reserve therefor as may be

1 provided, and to establish an adequate fund for depreciation and
2 replacement. However, in connection with the issuance of bonds
3 described in Subsection (a) of Section 2 of this article, the
4 county may authorize, in the bond resolution or order, the payment
5 of the principal of and premium, if any, and interest on the bonds
6 from the gross revenues of the project, and the county may levy and
7 pledge to the payment of maintenance and operating expenses of the
8 project and to the establishment and maintenance of a reserve fund
9 and a depreciation and replacement fund for the project, either as
10 a supplement to the pledge of revenues for those purposes or in
11 lieu of a pledge of revenues, a direct continuing ad valorem tax
12 under Article VIII, Section 9, or Article III, Section 52, of the
13 Texas Constitution and the laws enacted under those provisions, as
14 may be provided in the resolution or order authorizing issuance of
15 the bonds. The proceeds of a tax pledged under this section shall
16 be utilized annually to the extent required by the resolution or
17 order for such purposes, and the county may provide in the
18 resolution or order that certain costs listed in the resolution or
19 order, or all of such costs, will be paid by the county from the
20 proceeds of the tax. As to such bonds which are payable either in
21 whole or in part from the revenues to be derived from the operation
22 of a project, the operating and maintenance expenses of the project
23 [~~which shall be charged against the revenues of the project~~] shall
24 include only such items as are set forth and defined in the
25 proceedings authorizing the issuance of such bonds. The
26 Commissioners Court shall have full discretion in fixing the
27 details of the bonds authorized to be issued hereunder and in

1 determining the manner of sale thereof, provided that the bonds,
2 whether term, serial, or combination thereof, shall mature not more
3 than forty (40) years from their date. The bonds may contain such
4 mandatory or optional redemption provisions and may mature in such
5 manner and at such prices as may be determined by the Commissioners
6 Court prior to the issuance of the bonds. All bonds issued
7 hereunder, and any interest coupons pertaining to the bonds, on
8 delivery shall be considered and construed to be "securities"
9 within the meaning of Chapter 8, Business & Commerce Code, and the
10 bonds are negotiable if they are issued in accordance with this Act
11 [and-are-hereby-declared-to-have--all--of--the--qualifications--and
12 incidents---of---negotiable---instruments---under---the--Negotiable
13 instruments-Law-of-Texas]. Provision may be made for registration
14 of such bonds as to principal or interest or both. The proceeds of
15 the bonds shall be used solely to pay the cost of the project as
16 above defined, and shall be disbursed under such restrictions as
17 may be provided in the bond resolution, order, or trust indenture
18 hereinafter mentioned, and there shall be and is hereby created and
19 granted a lien upon such moneys until so applied in favor of the
20 holders of the bonds or any trustee provided for in respect of such
21 bonds. Unless otherwise provided, in such resolution, order, or
22 indenture, if the proceeds of the bonds prove insufficient to pay
23 the cost of the project, additional bonds may be issued to the
24 amount of the deficit and shall be deemed to be of the same issue
25 and entitled to payment from the same fund without preference or
26 priority of the bonds first issued. Any surplus remaining from
27 bond proceeds after the cost of the project has been paid in full

1 shall be used in paying interest on and retiring bonds unless
2 otherwise provided in the bond resolution, order, or trust
3 indenture. Prior to the issuance of definitive bonds, interim
4 bonds, with or without coupons, exchangeable for definitive bonds
5 may be issued. Such bonds may be authorized and issued without any
6 proceedings or the happening of any conditions or things or the
7 publication of any proceedings or notices other than those
8 specifically specified and required by this Act, and may be
9 authorized and issued without regard to the requirements,
10 restrictions, or procedural provisions contained in any other law.
11 The resolution or order authorizing the bonds may provide that such
12 bonds shall contain a recital that they are issued pursuant to this
13 Act and such recital shall be conclusive evidence of their validity
14 and the regularity of their issuance.

15 If so provided by the Commissioners Court, the bonds may be
16 secured by a trust indenture by and between the county and a
17 corporate trustee, which may be any trust company or bank having
18 the powers of a trust company within or outside of the State of
19 Texas. Such trust indenture may pledge or assign tolls and
20 revenues but shall not convey or mortgage the project itself or any
21 part thereof. Either the resolution or order providing for the
22 issuance of the bonds or such trust indenture may contain such
23 provisions for protecting and enforcing the rights and remedies of
24 the bondholders as may be reasonable and proper and not in
25 violation of law, including covenants setting forth the duties of
26 the county in relation to the acquisition of properties and the
27 construction, maintenance, operation, repair, and insurance of the

1 project, and the custody, safeguarding, and application of all
2 moneys. It shall be lawful for any bank or trust company in this
3 State to act as depository of the proceeds of the bonds or revenues
4 derived from the operation of the project and to furnish such
5 indemnity bonds or to pledge such securities as may be required by
6 the county. Such bond resolution, order, or indenture may set
7 forth the rights and remedies of the bondholders and of the trustee
8 and may restrict the individual rights of action of the
9 bondholders. In addition to the foregoing, such bond resolution,
10 order, or trust indenture may contain such other provisions as the
11 Commissioners Court may deem reasonable and proper for the security
12 of the bondholders including, but without limitation, covenants
13 prescribing all happenings or occurrences which constitute events
14 of default and the terms and conditions upon which any or all of
15 the bonds shall become or may be declared to be due before maturity
16 and as to the rights, liabilities, powers and duties arising upon
17 the breach by the county of any of its duties or obligations.

18 SECTION 2. Chapter 304, Acts of the 50th Legislature,
19 Regular Session, 1947 (Article 6795b-1, Vernon's Texas Civil
20 Statutes), is amended by adding Sections 4a and 4b to read as
21 follows:

22 Sec. 4a. Notwithstanding any other provision of law, the
23 Commissioners Court may use any county land, rights-of-way, or
24 other property, regardless of when or how the property is acquired,
25 for the purposes of a project under this Act. The governing body
26 of each political subdivision or agency of this state, without any
27 form of advertisement, may convey title or right and easements to

1 any property needed by a county for a project under this Act.

2 Sec. 4b. Each lien on or pledge of revenues derived from the
3 project, or on the reserve fund, depreciation and replacement fund,
4 or other reserves or funds established in connection with bonds
5 issued under this Act, is valid and enforceable from the time of
6 payment for and delivery of the bonds authorized by the resolution
7 or order of the Commissioners Court creating or confirming the lien
8 or pledge. Such a lien or pledge is fully effective as to items
9 then on hand or subsequently received, and the items are subject to
10 such a lien or pledge without physical delivery of the items or
11 further act. The lien or pledge is valid and enforceable against
12 any party having a claim of any kind in tort, contract, or
13 otherwise against the county, regardless of whether the party has
14 notice of the lien or pledge. Neither a resolution or order
15 authorizing the issuance of bonds under this Act nor any other
16 instrument by which the lien or pledge is created or confirmed need
17 be filed or recorded except in the regular records of the county.

18 SECTION 3. The importance of this legislation and the
19 crowded condition of the calendars in both houses create an
20 emergency and an imperative public necessity that the
21 constitutional rule requiring bills to be read on three several
22 days in each house be suspended, and this rule is hereby suspended,
23 and that this Act take effect and be in force from and after its
24 passage, and it is so enacted.

1 By: Henderson

S.B. No. 970

2 (In the Senate - Filed March 10, 1983; March 14, 1983, read
3 first time and referred to Committee on Intergovernmental
4 Relations; April 14, 1983, reported favorably; April 14, 1983, sent
5 to printer.)

6 A BILL TO BE ENTITLED
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8 relating to financing, constructing, and operating certain
9 causeways, bridges, and tunnels by certain counties.

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19 required. However, the bonds may be presented to the Attorney
20 General as provided by Section 2 of this article. If such bonds
21 are payable in whole or in part from the revenues to be derived
22 from the operation of the project, it shall be the mandatory duty
23 of the county, which duty may be executed by an operating board
24 appointed pursuant to Section 5b hereof, to impose such tolls and
25 charges for use of the project as will be fully sufficient, when
26 taken with any other funds or revenues available for such purposes,
27 including ad valorem taxes, to pay the maintenance and operating
28 expenses [~~which--are-charged-against-the-revenues~~] of the project,
29 to pay the principal of and premium, if any, and interest on the
30 bonds when due, to establish such reserve therefor as may be
31 provided, and to establish an adequate fund for depreciation and
32 replacement. However, in connection with the issuance of bonds
33 described in Subsection (a) of Section 2 of this article, the
34 county may authorize, in the bond resolution or order, the payment
35 of the principal of and premium, if any, and interest on the bonds
36 from the gross revenues of the project, and the county may levy and
37 pledge to the payment of maintenance and operating expenses of the
38 project and to the establishment and maintenance of a reserve fund
39 and a depreciation and replacement fund for the project, either as
40 a supplement to the pledge of revenues for those purposes or in
41 lieu of a pledge of revenues, a direct continuing ad valorem tax
42 under Article VIII, Section 9, as amended, or Article III, Section
43 52, as amended, of the Texas Constitution and the laws enacted
44 under those provisions, as may be provided in the resolution or
45 order authorizing issuance of the bonds. The proceeds of a tax
46 pledged under this section shall be utilized annually to the extent
47 required by the resolution or order for such purposes, and the
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49 listed in the resolution or order or all of such costs will be paid
50 by the county from the proceeds of the tax. As to such bonds which
51 are payable either in whole or in part from the revenues to be
52 derived from the operation of a project, the operating and
53 maintenance expenses of the project [~~which-shall-be-charged-against~~
54 ~~the-revenues-of-the-project~~] shall include only such items as are
55 set forth and defined in the proceedings authorizing the issuance
56 of such bonds. The Commissioners Court shall have full discretion
57 in fixing the details of the bonds authorized to be issued
58 hereunder and in determining the manner of sale thereof, provided
59 that the bonds, whether term, serial, or combination thereof, shall
60 mature not more than forty (40) years from their date. The bonds
61 may contain such mandatory or optional redemption provisions and
62 may mature in such manner and at such prices as may be determined
63 by the Commissioners Court prior to the issuance of the bonds. All
64 bonds issued hereunder, and any interest coupons pertaining to the
65 bonds, on delivery shall be considered and construed to be
66 'securities' within the meaning of Chapter 8, Business & Commerce
67 Code, and the bonds are negotiable if they are issued in accordance
68 with this Act [~~and--are--hereby--declared--to--have--all--of--the~~
69 ~~qualifications-and-incidents-of-negotiable-instruments--under--the~~]

1 ~~Negotiable--Instruments--Law--of-Texas~~]. Provision may be made for
 2 registration of such bonds as to principal or interest or both.
 3 The proceeds of the bonds shall be used solely to pay the cost of
 4 the project as above defined, and shall be disbursed under such
 5 restrictions as may be provided in the bond resolution, order, or
 6 trust indenture hereinafter mentioned, and there shall be and is
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 10 resolution, order, or indenture, if the proceeds of the bonds prove
 11 insufficient to pay the cost of the project, additional bonds may
 12 be issued to the amount of the deficit and shall be deemed to be of
 13 the same issue and entitled to payment from the same fund without
 14 preference or priority of the bonds first issued. Any surplus
 15 remaining from bond proceeds after the cost of the project has been
 16 paid in full shall be used in paying interest on and retiring bonds
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 19 bonds, with or without coupons, exchangeable for definitive bonds
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 21 proceedings or the happening of any conditions or things or the
 22 publication of any proceedings or notices other than those
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 24 authorized and issued without regard to the requirements,
 25 restrictions, or procedural provisions contained in any other law.
 26 The resolution or order authorizing the bonds may provide that such
 27 bonds shall contain a recital that they are issued pursuant to this
 28 Act and such recital shall be conclusive evidence of their validity
 29 and the regularity of their issuance.

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 31 secured by a trust indenture by and between the county and a
 32 corporate trustee, which may be any trust company or bank having
 33 the powers of a trust company within or outside of the State of
 34 Texas. Such trust indenture may pledge or assign tolls and
 35 revenues but shall not convey or mortgage the project itself or any
 36 part thereof. Either the resolution or order providing for the
 37 issuance of the bonds or such trust indenture may contain such
 38 provisions for protecting and enforcing the rights and remedies of
 39 the bondholders as may be reasonable and proper and not in
 40 violation of law, including covenants setting forth the duties of
 41 the county in relation to the acquisition of properties and the
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 45 State to act as depository of the proceeds of the bonds or revenues
 46 derived from the operation of the project and to furnish such
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 49 forth the rights and remedies of the bondholders and of the trustee
 50 and may restrict the individual rights of action of the
 51 bondholders. In addition to the foregoing, such bond resolution,
 52 order, or trust indenture may contain such other provisions as the
 53 Commissioners Court may deem reasonable and proper for the security
 54 of the bondholders including, but without limitation, covenants
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 56 of default and the terms and conditions upon which any or all of
 57 the bonds shall become or may be declared to be due before maturity
 58 and as to the rights, liabilities, powers and duties arising upon
 59 the breach by the county of any of its duties or obligations."

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 65 commissioners court may use any county land, rights-of-way, or
 66 other property, regardless of when or how the property is acquired,
 67 for the purposes of a project under this Act. The governing body
 68 of each political subdivision or agency of this state, without any
 69 form of advertisement, may convey title or right and easements to
 70 any property needed by a county for a project under this Act."

1 "Section 4b. Each lien on or pledge of revenues derived from
2 the project or on the reserve fund, depreciation and replacement
3 fund, or other reserves or funds established in connection with
4 bonds issued under this Act is valid and enforceable from the time
5 of payment for and delivery of the bonds authorized by the
6 resolution or order of the commissioners court creating or
7 confirming the lien or pledge. Such a lien or pledge is fully
8 effective as to items then on hand or subsequently received, and
9 the items are subject to such a lien or pledge without physical
10 delivery of the items or further act. The lien or pledge is valid
11 and enforceable against any party having a claim of any kind in
12 tort, contract, or otherwise against the county, regardless of
13 whether the party has notice of the lien or pledge. Neither a
14 resolution or order authorizing the issuance of bonds under this
15 Act nor any other instrument by which the lien or pledge is created
16 or confirmed need be filed or recorded except in the regular
17 records of the county."

18 SECTION 3. The importance of this legislation and the
19 crowded condition of the calendars in both houses create an
20 emergency and an imperative public necessity that the
21 constitutional rule requiring bills to be read on three several
22 days in each house be suspended, and this rule is hereby suspended,
23 and that this Act take effect and be in force from and after its
24 passage, and it is so enacted.

25 * * * * *

26 Austin, Texas
27 April 14, 1983

28 Hon. William P. Hobby
29 President of the Senate

30 Sir:

31 We, your Committee on Intergovernmental Relations to which was
32 referred S.B. No. 970, have had the same under consideration, and I
33 am instructed to report it back to the Senate with the
34 recommendation that it do pass and be printed.

35 Traeger, Chairman

BILL ANALYSIS

S.B. 970

By: Henderson

BACKGROUND INFORMATION:

Article 6795b-1 presently authorizes counties of more than 50,000 population bordering on the Gulf of Mexico to construct and operate causeways, bridges, tunnels, turnpikes, highways and any combination of these facilities through funding provided by revenue bonds to be paid through the net revenues generated by farebox receipts. Since initial passage of this legislation in 1947, however, innovations in revenue bond financing (developed with airport revenue bond projects and sewer revenue bond projects) have proven that the potential availability of pledging ad valorem tax revenues to the maintenance and operation of such projects will reduce interest rates substantially on this type of revenue bond project.

In Harris County, the County Commissioners Court and the State Department of Public Highways and Transportation have cooperated for several years to develop Beltway Eight, planned as a major loop surrounding the City of Houston. The County has acquired several portions of the rights-of-way through general obligation bond funds in anticipation of State funding to complete construction. Due to the State's fiscal condition, however, it appears unlikely the State can begin construction of the Beltway in the foreseeable future.

PURPOSE:

Authorizes eligible counties to pledge ad valorem tax revenue to the maintenance and operation of toll transportation facilities through the issuance of gross revenue bonds and to utilize rights-of-way purchased through general obligation bonds in the construction of the facilities.

SECTION-BY-SECTION ANALYSIS:

Section 1. Section 4 of Article 6795b-1 is amended to authorize the pledge of ad valorem taxes collected under the authority of road and bridge property taxes or county general fund property taxes to pay for the maintenance and operation of county toll projects. Further, language in the existing statute which refers to the Negotiable Instruments Law of Texas is cleaned up to refer to the Uniform Commercial Code, which is now in effect in lieu of the Negotiable Instruments Law. In addition, the words "or order" are inserted following the word "resolution," since most commissioners court actions are taken through court orders.

Section 2. A new section 4a is added to Article 6795b-1 to permit commissioners courts in eligible counties to use any county lands or rights-of-way, acquired from any source, in developing toll projects, and to obtain title, rights and easements to any property for such a project from any county, city, town or political subdivision of the State.

A new section 4b is added to Article 6795b-1 to make clear the the first lien on the revenues of toll projects is pledged to the payment of the bonds.

Section 3 Emergency clause.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 13, 1983

Honorable John A. Traeger, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 970
By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 970 (relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties) this office has determined the following:

The fiscal impact of this bill cannot be estimated since the bill allows, but does not require, actions by certain counties in the issuance of bonds.

No fiscal implication to the State is anticipated.


Jim Oliver
Director

Source: Comptroller of Public Accounts;
LBB Staff: JO, JH, KH, BL

status of authorized line or pledge; ^{CF}
amending Chapter 304, Acts of the 50th Legislature, ^{CF}
Regular Session, 1947, as amended (Article 6795b-1, ^{CF}
Vernon's Texas Civil Statutes), by amending ^{CF}
Section 4 and adding Sections 4a and 4b.

By Handwritten Signature

S. B. No. 970

A BILL TO BE ENTITLED

1 AN ACT ^{turnpikes, streets, highways, roads,}
2 relating to financing, constructing, and operating certain
3 causeways, bridges, and tunnels by certain counties, ^{to}
4 ^{acquisition of property for purposes of a project and to the}
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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12 county issuing the bonds, and no other authorization or approval is
13 required. However, the bonds may be presented to the Attorney
14 General as provided by Section 2 of this article. If such bonds
15 are payable in whole or in part from the revenues to be derived
16 from the operation of the project, it shall be the mandatory duty
17 of the county, which duty may be executed by an operating board
18 appointed pursuant to Section 5b hereof, to impose such tolls and
19 charges for use of the project as will be fully sufficient, when ^{1/2}
20 taken with any other funds or revenues available for such purposes,
21 including ad valorem taxes, to pay the maintenance and operating
22 expenses [~~which are charged against the revenues~~] of the project,
23 to pay the principal of and premium, if any, and interest on the
24 bonds when due, to establish such reserve therefor as may be

1 provided, and to establish an adequate fund for depreciation and
2 replacement. However, in connection with the issuance of bonds
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11 lieu of a pledge of revenues, a direct continuing ad valorem tax
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22 of a project, the operating and maintenance expenses of the project
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8 delivery shall be considered and construed to be "securities"
9 within the meaning of Chapter 8, Business & Commerce Code, and the
10 bonds are negotiable if they are issued in accordance with this Act
11 ~~[and-are-hereby-declared-to-have--all--of--the--qualifications--and~~
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13 ~~instruments-law-of-Texas]~~. Provision may be made for registration
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15 the bonds shall be used solely to pay the cost of the project as
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17 may be provided in the bond resolution, order, or trust indenture
18 hereinafter mentioned, and there shall be and is hereby created and
19 granted a lien upon such moneys until so applied in favor of the
20 holders of the bonds or any trustee provided for in ^{3/4}respect of such
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22 indenture, if the proceeds of the bonds prove insufficient to pay
23 the cost of the project, additional bonds may be issued to the
24 amount of the deficit and shall be deemed to be of the same issue
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13 Act and such recital shall be conclusive evidence of their validity
14 and the regularity of their issuance.

15 ¶ If so provided by the Commissioners Court, the bonds may be
16 secured by a trust indenture by and between the county and a
17 corporate trustee, which may be any trust company or bank having
18 the powers of a trust company within or outside of the State of
19 Texas. Such trust indenture may pledge or assign tolls and ^{4/5}
20 revenues but shall not convey or mortgage the project itself or any
21 part thereof. Either the resolution or order providing for the
22 issuance of the bonds or such trust indenture may contain such
23 provisions for protecting and enforcing the rights and remedies of
24 the bondholders as may be reasonable and proper and not in
25 violation of law, including covenants setting forth the duties of
26 the county in relation to the acquisition of properties and the
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16 and as to the rights, liabilities, powers and duties arising upon
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24 other property, regardless of when or how the property is acquired,
25 for the purposes of a project under this Act. The governing body
26 of each political subdivision or agency of this state, without any
27 form of advertisement, may convey title or right and easements to

*House
Am. #3*

1 any property needed by a county for a project under this Act.)

2 "Sec. ^{4a}4b. Each lien on or pledge of revenues derived from the
3 project, or on the reserve fund, depreciation and replacement fund,
4 or other reserves or funds established in connection with bonds
5 issued under this Act, is valid and enforceable from the time of
6 payment for and delivery of the bonds authorized by the resolution
7 or order of the Commissioners Court creating or confirming the lien
8 or pledge. Such a lien or pledge is fully effective as to items
9 then on hand or subsequently received, and the items are subject to
10 such a lien or pledge without physical delivery of the items or
11 further act. The lien or pledge is valid^{ly} and enforceable against
12 any party having a claim of any kind in tort, contract, or
13 otherwise against the county, regardless of whether the party has
14 notice of the lien or pledge. Neither a resolution or order
15 authorizing the issuance of bonds under this Act nor any other
16 instrument by which the lien or pledge is created or confirmed need
17 be filed or recorded except in the regular records of the county. //

18 SECTION 3. The importance of this legislation and the
19 crowded condition of the calendars in both houses create an
20 emergency and an imperative public necessity that the
21 constitutional rule requiring bills to be read on three several
22 days in each house be suspended, and this rule is hereby suspended,
23 and that this Act take effect and be in force from and after its
24 passage, and it is so enacted.

April 25 1983 Engrossed
Atty Gen
Engrossing Clerk

1983 APR 27 AM 9:31

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct
copy of _____ which was
received from the Senate of _____ and
referred to the Committee on _____

Chief Clerk of the House

By: Henderson
(E. Barton)

S.B. No. 970

A BILL TO BE ENTITLED

AN ACT

relating to financing, constructing, and operating certain
causeways, bridges, and tunnels by certain counties; to use and
acquisition of property for purposes of a project and to the status
of authorized liens or pledges; amending Chapter 304, Acts of the
50th Legislature, Regular Session, 1947, as amended (Article
6795b-1, Vernon's Texas Civil Statutes), by amending Section 4 and
adding Sections 4a and 4b.

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

SECTION 1. Section 4, Chapter 304, Acts of the 50th
Legislature, Regular Session, 1947, as amended (Article 6795b-1,
Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 4. The bonds issued hereunder may be authorized by
resolution or order at one time or from time to time. Bonds
payable from gross or net revenues may be authorized by and issued
under a resolution or order of the Commissioners Court of the
county issuing the bonds, and no other authorization or approval is
required. However, the bonds may be presented to the Attorney
General as provided by Section 2 of this article. If such bonds
are payable in whole or in part from the revenues to be derived
from the operation of the project, it shall be the mandatory duty
of the county, which duty may be executed by an operating board
appointed pursuant to Section 5b hereof, to impose such tolls and
charges for use of the project as will be fully sufficient, when
taken with any other funds or revenues available for such purposes,

1 including ad valorem taxes, to pay the maintenance and operating
2 expenses [which--are-charged-against-the-revenues] of the project,
3 to pay the principal of and premium, if any, and interest on the
4 bonds when due, to establish such reserve therefor as may be
5 provided, and to establish an adequate fund for depreciation and
6 replacement. However, in connection with the issuance of bonds
7 described in Subsection (a) of Section 2 of this article, the
8 county may authorize, in the bond resolution or order, the payment
9 of the principal of and premium, if any, and interest on the bonds
10 from the gross revenues of the project, and the county may levy and
11 pledge to the payment of maintenance and operating expenses of the
12 project and to the establishment and maintenance of a reserve fund
13 and a depreciation and replacement fund for the project, either as
14 a supplement to the pledge of revenues for those purposes or in
15 lieu of a pledge of revenues, a direct continuing ad valorem tax
16 under Article VIII, Section 9, as amended, or Article III, Section
17 52, as amended, of the Texas Constitution and the laws enacted
18 under those provisions, as may be provided in the resolution or
19 order authorizing issuance of the bonds. The proceeds of a tax
20 pledged under this section shall be utilized annually to the extent
21 required by the resolution or order for such purposes, and the
22 county may provide in the resolution or order that certain costs
23 listed in the resolution or order or all of such costs will be paid
24 by the county from the proceeds of the tax. As to such bonds which
25 are payable either in whole or in part from the revenues to be
26 derived from the operation of a project, the operating and

1 maintenance expenses of the project [~~which shall be charged against~~
2 ~~the revenues of the project~~] shall include only such items as are
3 set forth and defined in the proceedings authorizing the issuance
4 of such bonds. The Commissioners Court shall have full discretion
5 in fixing the details of the bonds authorized to be issued
6 hereunder and in determining the manner of sale thereof, provided
7 that the bonds, whether term, serial, or combination thereof, shall
8 mature not more than forty (40) years from their date. The bonds
9 may contain such mandatory or optional redemption provisions and
10 may mature in such manner and at such prices as may be determined
11 by the Commissioners Court prior to the issuance of the bonds. All
12 bonds issued hereunder, and any interest coupons pertaining to the
13 bonds, on delivery shall be considered and construed to be
14 'securities' within the meaning of Chapter 8, Business & Commerce
15 Code, and the bonds are negotiable if they are issued in accordance
16 with this Act [~~and are hereby declared to have all of the~~
17 ~~qualifications and incidents of negotiable instruments under the~~
18 ~~Negotiable Instruments Law of Texas~~]. Provision may be made for
19 registration of such bonds as to principal or interest or both.
20 The proceeds of the bonds shall be used solely to pay the cost of
21 the project as above defined, and shall be disbursed under such
22 restrictions as may be provided in the bond resolution, order, or
23 trust indenture hereinafter mentioned, and there shall be and is
24 hereby created and granted a lien upon such moneys until so applied
25 in favor of the holders of the bonds or any trustee provided for in
26 respect of such bonds. Unless otherwise provided in such

1 resolution, order, or indenture, if the proceeds of the bonds prove
2 insufficient to pay the cost of the project, additional bonds may
3 be issued to the amount of the deficit and shall be deemed to be of
4 the same issue and entitled to payment from the same fund without
5 preference or priority of the bonds first issued. Any surplus
6 remaining from bond proceeds after the cost of the project has been
7 paid in full shall be used in paying interest on and retiring bonds
8 unless otherwise provided in the bond resolution, order, or trust
9 indenture. Prior to the issuance of definitive bonds, interim
10 bonds, with or without coupons, exchangeable for definitive bonds
11 may be issued. Such bonds may be authorized and issued without any
12 proceedings or the happening of any conditions or things or the
13 publication of any proceedings or notices other than those
14 specifically specified and required by this Act, and may be
15 authorized and issued without regard to the requirements,
16 restrictions, or procedural provisions contained in any other law.
17 The resolution or order authorizing the bonds may provide that such
18 bonds shall contain a recital that they are issued pursuant to this
19 Act and such recital shall be conclusive evidence of their validity
20 and the regularity of their issuance.

21 "If so provided by the Commissioners Court, the bonds may be
22 secured by a trust indenture by and between the county and a
23 corporate trustee, which may be any trust company or bank having
24 the powers of a trust company within or outside of the State of
25 Texas. Such trust indenture may pledge or assign tolls and
26 revenues but shall not convey or mortgage the project itself or any

1 part thereof. Either the resolution or order providing for the
2 issuance of the bonds or such trust indenture may contain such
3 provisions for protecting and enforcing the rights and remedies of
4 the bondholders as may be reasonable and proper and not in
5 violation of law, including covenants setting forth the duties of
6 the county in relation to the acquisition of properties and the
7 construction, maintenance, operation, repair, and insurance of the
8 project, and the custody, safeguarding, and application of all
9 moneys. It shall be lawful for any bank or trust company in this
10 State to act as depository of the proceeds of the bonds or revenues
11 derived from the operation of the project and to furnish such
12 indemnity bonds or to pledge such securities as may be required by
13 the county. Such bond resolution, order, or indenture may set
14 forth the rights and remedies of the bondholders and of the trustee
15 and may restrict the individual rights of action of the
16 bondholders. In addition to the foregoing, such bond resolution,
17 order, or trust indenture may contain such other provisions as the
18 Commissioners Court may deem reasonable and proper for the security
19 of the bondholders including, but without limitation, covenants
20 prescribing all happenings or occurrences which constitute events
21 of default and the terms and conditions upon which any or all of
22 the bonds shall become or may be declared to be due before maturity
23 and as to the rights, liabilities, powers and duties arising upon
24 the breach by the county of any of its duties or obligations."

25 SECTION 2. Chapter 304, Acts of the 50th Legislature,
26 Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas

Civil Statutes), is amended by adding Sections 4a and 4b to read as follows:

"Section 4a. Notwithstanding any other provision of law, the commissioners court may use any county land, rights-of-way, or other property, regardless of when or how the property is acquired, for the purposes of a project under this Act. The governing body of each political subdivision or agency of this state, without any form of advertisement, may convey title or right and easements to any property needed by a county for a project under this Act.

"Section 4b. Each lien on or pledge of revenues derived from the project or on the reserve fund, depreciation and replacement fund, or other reserves or funds established in connection with bonds issued under this Act is valid and enforceable from the time of payment for and delivery of the bonds authorized by the resolution or order of the commissioners court creating or confirming the lien or pledge. Such a lien or pledge is fully effective as to items then on hand or subsequently received, and the items are subject to such a lien or pledge without physical delivery of the items or further act. The lien or pledge is valid and enforceable against any party having a claim of any kind in tort, contract, or otherwise against the county, regardless of whether the party has notice of the lien or pledge. Neither a resolution or order authorizing the issuance of bonds under this Act nor any other instrument by which the lien or pledge is created or confirmed need be filed or recorded except in the regular records of the county."

S.B. No. 970

1 SECTION 3. The importance of this legislation and the
2 crowded condition of the calendars in both houses create an
3 emergency and an imperative public necessity that the
4 constitutional rule requiring bills to be read on three several
5 days in each house be suspended, and this rule is hereby suspended,
6 and that this Act take effect and be in force from and after its
7 passage, and it is so enacted.

S.B. No. 970

COMMITTEE AMENDMENT NO. 1

Amend S.B. 970 on page 1, line 3, after "bridges," by inserting "turnpikes, highways,".

Toomey

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 13, 1983

Honorable John A. Traeger, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 970
By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 970 (relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties) this office has determined the following:

The fiscal impact of this bill cannot be estimated since the bill allows, but does not require, actions by certain counties in the issuance of bonds.

No fiscal implication to the State is anticipated.


Jim Oliver
Director

Source: Comptroller of Public Accounts;
LBB Staff: JO, JH, KH, BL

1974 MAY -4 PM 7:32

HOUSE OF REPRESENTATIVES

HOUSE COMMITTEE REPORT

1st Printing

By: Henderson
(E. Barton)

S.B. No. 970

A BILL TO BE ENTITLED

AN ACT

relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties; to use and acquisition of property for purposes of a project and to the status of authorized liens or pledges; amending Chapter 304, Acts of the 50th Legislature, Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas Civil Statutes), by amending Section 4 and adding Sections 4a and 4b.

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

SECTION 1. Section 4, Chapter 304, Acts of the 50th Legislature, Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 4. The bonds issued hereunder may be authorized by resolution or order at one time or from time to time. Bonds payable from gross or net revenues may be authorized by and issued under a resolution or order of the Commissioners Court of the county issuing the bonds, and no other authorization or approval is required. However, the bonds may be presented to the Attorney General as provided by Section 2 of this article. If such bonds are payable in whole or in part from the revenues to be derived from the operation of the project, it shall be the mandatory duty of the county, which duty may be executed by an operating board appointed pursuant to Section 5b hereof, to impose such tolls and charges for use of the project as will be fully sufficient, when taken with any other funds or revenues available for such purposes,

1 including ad valorem taxes, to pay the maintenance and operating
2 expenses [~~which--are-charged-against-the-revenues~~] of the project,
3 to pay the principal of and premium, if any, and interest on the
4 bonds when due, to establish such reserve therefor as may be
5 provided, and to establish an adequate fund for depreciation and
6 replacement. However, in connection with the issuance of bonds
7 described in Subsection (a) of Section 2 of this article, the
8 county may authorize, in the bond resolution or order, the payment
9 of the principal of and premium, if any, and interest on the bonds
10 from the gross revenues of the project, and the county may levy and
11 pledge to the payment of maintenance and operating expenses of the
12 project and to the establishment and maintenance of a reserve fund
13 and a depreciation and replacement fund for the project, either as
14 a supplement to the pledge of revenues for those purposes or in
15 lieu of a pledge of revenues, a direct continuing ad valorem tax
16 under Article VIII, Section 9, as amended, or Article III, Section
17 52, as amended, of the Texas Constitution and the laws enacted
18 under those provisions, as may be provided in the resolution or
19 order authorizing issuance of the bonds. The proceeds of a tax
20 pledged under this section shall be utilized annually to the extent
21 required by the resolution or order for such purposes, and the
22 county may provide in the resolution or order that certain costs
23 listed in the resolution or order or all of such costs will be paid
24 by the county from the proceeds of the tax. As to such bonds which
25 are payable either in whole or in part from the revenues to be
26 derived from the operation of a project, the operating and

1 maintenance expenses of the project [~~which shall be charged against~~
2 ~~the revenues of the project~~] shall include only such items as are
3 set forth and defined in the proceedings authorizing the issuance
4 of such bonds. The Commissioners Court shall have full discretion
5 in fixing the details of the bonds authorized to be issued
6 hereunder and in determining the manner of sale thereof, provided
7 that the bonds, whether term, serial, or combination thereof, shall
8 mature not more than forty (40) years from their date. The bonds
9 may contain such mandatory or optional redemption provisions and
10 may mature in such manner and at such prices as may be determined
11 by the Commissioners Court prior to the issuance of the bonds. All
12 bonds issued hereunder, and any interest coupons pertaining to the
13 bonds, on delivery shall be considered and construed to be
14 'securities' within the meaning of Chapter 8, Business & Commerce
15 Code, and the bonds are negotiable if they are issued in accordance
16 with this Act [~~and--are--hereby--declared--to--have--all--of--the~~
17 ~~qualifications-and-incidents-of-negotiable--instruments--under--the~~
18 ~~Negotiable--Instruments--Law--of-Texas~~]. Provision may be made for
19 registration of such bonds as to principal or interest or both.
20 The proceeds of the bonds shall be used solely to pay the cost of
21 the project as above defined, and shall be disbursed under such
22 restrictions as may be provided in the bond resolution, order, or
23 trust indenture hereinafter mentioned, and there shall be and is
24 hereby created and granted a lien upon such moneys until so applied
25 in favor of the holders of the bonds or any trustee provided for in
26 respect of such bonds. Unless otherwise provided in such

1 resolution, order, or indenture, if the proceeds of the bonds prove
2 insufficient to pay the cost of the project, additional bonds may
3 be issued to the amount of the deficit and shall be deemed to be of
4 the same issue and entitled to payment from the same fund without
5 preference or priority of the bonds first issued. Any surplus
6 remaining from bond proceeds after the cost of the project has been
7 paid in full shall be used in paying interest on and retiring bonds
8 unless otherwise provided in the bond resolution, order, or trust
9 indenture. Prior to the issuance of definitive bonds, interim
10 bonds, with or without coupons, exchangeable for definitive bonds
11 may be issued. Such bonds may be authorized and issued without any
12 proceedings or the happening of any conditions or things or the
13 publication of any proceedings or notices other than those
14 specifically specified and required by this Act, and may be
15 authorized and issued without regard to the requirements,
16 restrictions, or procedural provisions contained in any other law.
17 The resolution or order authorizing the bonds may provide that such
18 bonds shall contain a recital that they are issued pursuant to this
19 Act and such recital shall be conclusive evidence of their validity
20 and the regularity of their issuance.

21 "If so provided by the Commissioners Court, the bonds may be
22 secured by a trust indenture by and between the county and a
23 corporate trustee, which may be any trust company or bank having
24 the powers of a trust company within or outside of the State of
25 Texas. Such trust indenture may pledge or assign tolls and
26 revenues but shall not convey or mortgage the project itself or any

1 part thereof. Either the resolution or order providing for the
2 issuance of the bonds or such trust indenture may contain such
3 provisions for protecting and enforcing the rights and remedies of
4 the bondholders as may be reasonable and proper and not in
5 violation of law, including covenants setting forth the duties of
6 the county in relation to the acquisition of properties and the
7 construction, maintenance, operation, repair, and insurance of the
8 project, and the custody, safeguarding, and application of all
9 moneys. It shall be lawful for any bank or trust company in this
10 State to act as depository of the proceeds of the bonds or revenues
11 derived from the operation of the project and to furnish such
12 indemnity bonds or to pledge such securities as may be required by
13 the county. Such bond resolution, order, or indenture may set
14 forth the rights and remedies of the bondholders and of the trustee
15 and may restrict the individual rights of action of the
16 bondholders. In addition to the foregoing, such bond resolution,
17 order, or trust indenture may contain such other provisions as the
18 Commissioners Court may deem reasonable and proper for the security
19 of the bondholders including, but without limitation, covenants
20 prescribing all happenings or occurrences which constitute events
21 of default and the terms and conditions upon which any or all of
22 the bonds shall become or may be declared to be due before maturity
23 and as to the rights, liabilities, powers and duties arising upon
24 the breach by the county of any of its duties or obligations."

25 SECTION 2. Chapter 304, Acts of the 50th Legislature,
26 Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas

1 Civil Statutes), is amended by adding Sections 4a and 4b to read as
2 follows:

3 "Section 4a. Notwithstanding any other provision of law, the
4 commissioners court may use any county land, rights-of-way, or
5 other property, regardless of when or how the property is acquired,
6 for the purposes of a project under this Act. The governing body
7 of each political subdivision or agency of this state, without any
8 form of advertisement, may convey title or right and easements to
9 any property needed by a county for a project under this Act.

10 "Section 4b. Each lien on or pledge of revenues derived from
11 the project or on the reserve fund, depreciation and replacement
12 fund, or other reserves or funds established in connection with
13 bonds issued under this Act is valid and enforceable from the time
14 of payment for and delivery of the bonds authorized by the
15 resolution or order of the commissioners court creating or
16 confirming the lien or pledge. Such a lien or pledge is fully
17 effective as to items then on hand or subsequently received, and
18 the items are subject to such a lien or pledge without physical
19 delivery of the items or further act. The lien or pledge is valid
20 and enforceable against any party having a claim of any kind in
21 tort, contract, or otherwise against the county, regardless of
22 whether the party has notice of the lien or pledge. Neither a
23 resolution or order authorizing the issuance of bonds under this
24 Act nor any other instrument by which the lien or pledge is created
25 or confirmed need be filed or recorded except in the regular
26 records of the county."

1 SECTION 3. The importance of this legislation and the
2 crowded condition of the calendars in both houses create an
3 emergency and an imperative public necessity that the
4 constitutional rule requiring bills to be read on three several
5 days in each house be suspended, and this rule is hereby suspended,
6 and that this Act take effect and be in force from and after its
7 passage, and it is so enacted.

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

5-3-83

(date)

Sir:

We, your COMMITTEE ON URBAN AFFAIRS, to whom was referred SB 970 have had the same under consideration and beg to report back with the recommendation that it (measure)

- () do pass, without amendment.
(X) do pass, with amendment (A).
() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. () yes (X) no

An author's fiscal statement was requested. () yes (X) no

An actuarial analysis was requested. () yes (X) no

The Committee recommends that this measure be placed on the ~~(Local)~~ or ~~(Consent)~~ Calendar.

This measure () proposes new law.
(X) amends existing law.

House Sponsor of Senate Measure E. BARTON

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Pierce, Ch.	X			
Luna, V.C.	X			
Wolens, C.B.O.				X
Cain				X
Colbert	X			
Connelly	X			
Edwards	X			
Eikenburg	X			
English				X
Hilbert	X			
McKenna	X			
Patrick	X			
Pennington	X			
Polumbo	X			
Toomey	X			

Total
12 aye
0 nay
0 present, not voting
3 absent

Graye Pierce
CHAIRMAN
Pyrold
COMMITTEE COORDINATOR

URBAN AFFAIRS

SENATE BILL 970 by Henderson (E. Barton)

Political Divisions Affected:
Gulf Coast Counties of 50,000
or more

BILL ANALYSIS

Background Information

Article 6795b-1 authorizes counties of more than 50,000 population bordering on the Gulf of Mexico to construct causeways, bridges, tunnels, turnpikes, highways, and any combination of these facilities with proceeds from (1) revenue bonds to be paid from the net revenues generated by farebox receipts (2) tax bonds or (3) a combination of tax and revenue bonds. In addition, operation expenses during construction and for one year after construction is completed are allowed to be paid from these sources. Since initial passage of this legislation in 1947, innovations in revenue bond financing developed with airport revenue bond projects and sewer revenue bond projects have shown that the potential availability of pledging ad valorem tax revenues to the maintenance and operation of such projects may reduce interest rates on this type of revenue bond project.

In Harris County, the County Commissioners Court and the State Department of Public Highways and Transportation have cooperated for several years to develop a major loop surrounding the City of Houston. The county has acquired several portions of the rights-of-way through general obligation bond funds in anticipation of state funding to complete construction. Due to the state's fiscal condition, however, it appears unlikely the state can begin construction of the loop in the foreseeable future. The proposed legislation would authorize alternative means of funding portions of transportation projects.

Purpose

SB 970 authorizes certain Gulf Coast counties to pledge ad valorem tax revenue to the maintenance and operation of toll transportation facilities through the issuance of gross revenue bonds and to utilize rights-of-way purchased through general obligation bonds in the construction of the facilities.

Section-By-Section Analysis

Section 1. Amends Section 4 of Article 6795b-1 to authorize the pledge of ad valorem taxes collected under the authority of road and bridge property taxes or county general fund property taxes to pay for the operation and maintenance of projects constructed with proceeds from issuance of revenue bonds for county toll projects. Language in the existing statute which refers to the Negotiable Instruments Law of Texas is changed to refer to the Uniform Commercial Code now in effect in lieu of the Negotiable Instruments Law. Section 4 is further amended by inserting the words "or order" following each reference to bond resolutions because many commissioners court actions may be taken through court orders.

Section 2. Adds a new section, 4a, to Article 6795-1 to permit commissioners courts in eligible counties to use any county lands or rights-of-way acquired from any source in developing toll projects. This section authorizes any county, city, town, or political subdivision of the state to convey title, rights, and easements to any property for such a project. Adds a new section, 4b, to Article 6795b-1 to make clear that the first lien on the revenues of toll projects is pledged to the payment of the bonds.

Section 3: Severability Clause.

Section 4: Emergency Clause.

Rulemaking Authority

It is the Committee's opinion that this bill does not delegate rulemaking authority to a state officer, agency, department, or institution.

Summary of Committee Action

Senate Bill 970, the companion to House 1483 which was reported favorably by the committee on April 12, 1983, was considered in public hearing on May 3, 1983. One amendment was adopted which inserted the words "turnpike, highways," in the caption making it conform to the statute being amended. The motion to report the bill favorably carried with a vote of 12 Ayes 0 Nays, 0 PNV, and 3 Absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 13, 1983

Honorable John A. Traeger, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 970
By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 970 (relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties) this office has determined the following:

The fiscal impact of this bill cannot be estimated since the bill allows, but does not require, actions by certain counties in the issuance of bonds.

No fiscal implication to the State is anticipated.


Jim Oliver
Director

Source: Comptroller of Public Accounts;
LBB Staff: JO, JH, KH, BL

COMMITTEE AMENDMENT NO. 1

by Toomey

Amend S.B. 970 on page 1, line 3, after "bridges," by inserting
"turnpikes, ^{streets,} highways,".

↑
roads

ADOPTED

MAY 18 1983

Betty Murray
Chief Clerk
House of Representatives

House Am #0
5/27/83

Amendment No. ___ By Green

Gre Han

3rd READING

Clcc
5-29-83

Amend S. B. 970 by inserting the following on page 6 at the end of line 9 after the word "Act.":

If the County shall find it necessary to close or change the location of any portion of any non-toll road, street, or highway, it shall cause the non-toll road, street, or highway to be reconstructed at such a location and in such a fashion as the County shall determine will provide substantially the same access as the non-toll road, street, or highway being closed or relocated.

ADOPTED

MAY 25 1983

Betty Murray
Chief Clerk
House of Representatives

House Am. # ②
5/27/83

9

Enrolled May 30, 1983
Fatsy Spaw
Enrolling Clerk

S.B. No. 970

AN ACT

relating to financing, constructing, and operating certain causeways, bridges, turnpikes, streets, highways, roads, and tunnels by certain counties; to use and acquisition of property for purposes of a project and to the status of authorized liens or pledges; amending Chapter 304, Acts of the 50th Legislature, Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas Civil Statutes), by amending Section 4 and adding Sections 4a and 4b.

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See

S.B. No. 970

1 taken with any other funds or revenues available for such purposes,
2 including ad valorem taxes, to pay the maintenance and operating
3 expenses [~~which-are-charged-against-the-revenues~~] of the project,
4 to pay the principal of and premium, if any, and interest on the
5 bonds when due, to establish such reserve therefor as may be
6 provided, and to establish an adequate fund for depreciation and
7 replacement. However, in connection with the issuance of bonds
8 described in Subsection (a) of Section 2 of this article, the
9 county may authorize, in the bond resolution or order, the payment
10 of the principal of and premium, if any, and interest on the bonds
11 from the gross revenues of the project, and the county may levy and
12 pledge to the payment of maintenance and operating expenses of the
13 project and to the establishment and maintenance of a reserve fund
14 and a depreciation and replacement fund for the project, either as
15 a supplement to the pledge of revenues for those purposes or in
16 lieu of a pledge of revenues, a direct continuing ad valorem tax
17 under Article VIII, Section 9, as amended, or Article III, Section
18 52, as amended, of the Texas Constitution and the laws enacted
19 under those provisions, as may be provided in the resolution or
20 order authorizing issuance of the bonds. The proceeds of a tax
21 pledged under this section shall be utilized annually to the extent
22 required by the resolution or order for such purposes, and the
23 county may provide in the resolution or order that certain costs
24 listed in the resolution or order or all of such costs will be paid
25 by the county from the proceeds of the tax. As to such bonds which
26 are payable either in whole or in part from the revenues to be

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1 derived from the operation of a project, the operating and
2 maintenance expenses of the project [~~which shall be charged against~~
3 ~~the revenues of the project~~] shall include only such items as are
4 set forth and defined in the proceedings authorizing the issuance
5 of such bonds. The Commissioners Court shall have full discretion
6 in fixing the details of the bonds authorized to be issued
7 hereunder and in determining the manner of sale thereof, provided
8 that the bonds, whether term, serial, or combination thereof, shall
9 mature not more than forty (40) years from their date. The bonds
10 may contain such mandatory or optional redemption provisions and
11 may mature in such manner and at such prices as may be determined
12 by the Commissioners Court prior to the issuance of the bonds. All
13 bonds issued hereunder, and any interest coupons pertaining to the
14 bonds, on delivery shall be considered and construed to be
15 'securities' within the meaning of Chapter 8, Business & Commerce
16 Code, and the bonds are negotiable if they are issued in accordance
17 with this Act [~~and are hereby declared to have all of the~~
18 ~~qualifications and incidents of negotiable instruments under the~~
19 ~~Negotiable Instruments Law of Texas~~]. Provision may be made for
20 registration of such bonds as to principal or interest or both.
21 The proceeds of the bonds shall be used solely to pay the cost of
22 the project as above defined, and shall be disbursed under such
23 restrictions as may be provided in the bond resolution, order, or
24 trust indenture hereinafter mentioned, and there shall be and is
25 hereby created and granted a lien upon such moneys until so applied
26 in favor of the holders of the bonds or any trustee provided for in

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1 respect of such bonds. Unless otherwise provided in such
2 resolution, order, or indenture, if the proceeds of the bonds prove
3 insufficient to pay the cost of the project, additional bonds may
4 be issued to the amount of the deficit and shall be deemed to be of
5 the same issue and entitled to payment from the same fund without
6 preference or priority of the bonds first issued. Any surplus
7 remaining from bond proceeds after the cost of the project has been
8 paid in full shall be used in paying interest on and retiring bonds
9 unless otherwise provided in the bond resolution, order, or trust
10 indenture. Prior to the issuance of definitive bonds, interim
11 bonds, with or without coupons, exchangeable for definitive bonds
12 may be issued. Such bonds may be authorized and issued without any
13 proceedings or the happening of any conditions or things or the
14 publication of any proceedings or notices other than those
15 specifically specified and required by this Act, and may be
16 authorized and issued without regard to the requirements,
17 restrictions, or procedural provisions contained in any other law.
18 The resolution or order authorizing the bonds may provide that such
19 bonds shall contain a recital that they are issued pursuant to this
20 Act and such recital shall be conclusive evidence of their validity
21 and the regularity of their issuance.

22 "If so provided by the Commissioners Court, the bonds may be
23 secured by a trust indenture by and between the county and a
24 corporate trustee, which may be any trust company or bank having
25 the powers of a trust company within or outside of the State of
26 Texas. Such trust indenture may pledge or assign tolls and

revenues but shall not convey or mortgage the project itself or any part thereof. Either the resolution or order providing for the issuance of the bonds or such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the county in relation to the acquisition of properties and the construction, maintenance, operation, repair, and insurance of the project, and the custody, safeguarding, and application of all moneys. It shall be lawful for any bank or trust company in this State to act as depository of the proceeds of the bonds or revenues derived from the operation of the project and to furnish such indemnity bonds or to pledge such securities as may be required by the county. Such bond resolution, order, or indenture may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual rights of action of the bondholders. In addition to the foregoing, such bond resolution, order, or trust indenture may contain such other provisions as the Commissioners Court may deem reasonable and proper for the security of the bondholders including, but without limitation, covenants prescribing all happenings or occurrences which constitute events of default and the terms and conditions upon which any or all of the bonds shall become or may be declared to be due before maturity and as to the rights, liabilities, powers and duties arising upon the breach by the county of any of its duties or obligations."

SECTION 2. Chapter 304, Acts of the 50th Legislature,

Regular Session, 1947, as amended (Article 6795b-1, Vernon's Texas Civil Statutes), is amended by adding Sections 4a and 4b to read as follows:

"Section 4a. Notwithstanding any other provision of law, the commissioners court may use any county land, rights-of-way, or other property, regardless of when or how the property is acquired, for the purposes of a project under this Act. The governing body of each political subdivision or agency of this state, without any form of advertisement, may convey title or right and easements to any property needed by a county for a project under this Act. If the county shall find it necessary to close or change the location of any portion of any nontoll road, street, or highway, it shall cause the nontoll road, street, or highway to be reconstructed at such a location and in such a fashion as the county shall determine will provide substantially the same access as the nontoll road, street, or highway being closed or relocated.

"Section 4b. Each lien on or pledge of revenues derived from the project or on the reserve fund, depreciation and replacement fund, or other reserves or funds established in connection with bonds issued under this Act is valid and enforceable from the time of payment for and delivery of the bonds authorized by the resolution or order of the commissioners court creating or confirming the lien or pledge. Such a lien or pledge is fully effective as to items then on hand or subsequently received, and the items are subject to such a lien or pledge without physical delivery of the items or further act. The lien or pledge is valid

1 and enforceable against any party having a claim of any kind in
2 tort, contract, or otherwise against the county, regardless of
3 whether the party has notice of the lien or pledge. Neither a
4 resolution or order authorizing the issuance of bonds under this
5 Act nor any other instrument by which the lien or pledge is created
6 or confirmed need be filed or recorded except in the regular
7 records of the county."

8 SECTION 3. The importance of this legislation and the
9 crowded condition of the calendars in both houses create an
10 emergency and an imperative public necessity that the
11 constitutional rule requiring bills to be read on three several
12 days in each house be suspended, and this rule is hereby suspended,
13 and that this Act take effect and be in force from and after its
14 passage, and it is so enacted.

*See
file*

S.B. No. 970

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 970 passed the Senate on April 25, 1983, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendments on May 27, 1983, by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 970 passed the House, with amendments, on May 25, 1983, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 13, 1983

Honorable John A. Traeger, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 970
By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 970 (relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties) this office has determined the following:

The fiscal impact of this bill cannot be estimated since the bill allows, but does not require, actions by certain counties in the issuance of bonds.

No fiscal implication to the State is anticipated.


Jim Oliver
Director

Source: Comptroller of Public Accounts;
LBB Staff: JO, JH, KH, BL

S. B. No. 970

By Henderson

AN ACT relating to financing, constructing, and operating certain causeways, bridges, and tunnels by certain counties.

3-10-83 Filed with the Secretary of the Senate
MAR 14 1983 Read, referred to Committee on INTERGOVERNMENTAL RELATIONS
APR 14 1983 Reported favorably.
Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.
Ordered not printed.
APR 25 1983 Senate and Constitutional Rules to permit consideration suspended by unanimous consent yeas, _____ nays.
To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.
APR 25 1983 Read second time and { ordered engrossed.
passed to third reading.
Caption ordered amended to conform to body of bill.
APR 25 1983 Senate and Constitutional 3-Day Rules suspended by vote of 30 yeas, 0 nays to place bill on third reading and final passage.
APR 25 1983 Read third time and passed by { a viva-voce vote.
30 yeas, 0 nays.

OTHER ACTION:

Betty King
Secretary of the Senate

Patsy Spaw
ENGROSSING CLERK

April 25, 1983 Engrossed
4-26-83 Sent to House

APR 26 1983 Received from the Senate
APR 27 1983 Read first time and referred to Committee on Urban Affairs
may 3 '83 Reported favorably amended, sent to Printer at 3:40 pm
MAY 4 1983 Printed and Distributed 7:32 am
MAY 4 1983 Sent to Committee on Calendars 8:20 am
MAY 18 1983 Read Second time (amended) passed to third reading (failed)
by (Non-Record Vote) Record Vote of _____ yeas, _____ nays
_____ Present, not voting.
Constitutional Rule requiring bills to be read on three several days suspended (failed to suspend) by a four-fifths vote of _____ yeas _____ nays _____ present not voting.
MAY 25 1983 Read third time (amended) finally passed (failed) by a (Non-Record Vote) Record Vote of _____ yeas _____ nays
_____ present not voting.
MAY 25 1983 Caption ordered amended to conform to body of bill.
MAY 26 1983 Returned to Senate.

MAY 26 1983

RETURNED FROM HOUSE
with amendments

Betty Murray
Chief Clerk of the House

MAY 27 1983 Senate concurred in House amendments by viva voce vote.

1984 MAY -4 PM 7: 32

U.S. HOUSE OF REPRESENTATIVES