

1-1 By: Martinez, Guillen (Senate Sponsor - Lucio) H.B. No. 71  
 1-2 (In the Senate - Received from the House April 11, 2019;  
 1-3 April 15, 2019, read first time and referred to Committee on  
 1-4 Transportation; April 24, 2019, reported favorably by the  
 1-5 following vote: Yeas 7, Nays 2; April 24, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9		X		
1-10	X			
1-11	X			
1-12	X			
1-13		X		
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the creation of regional transit authorities; granting  
 1-20 the power of eminent domain; providing authority to issue bonds and  
 1-21 charge fees; creating a criminal offense.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle K, Title 6, Transportation Code, is  
 1-24 amended by adding Chapter 463 to read as follows:

1-25 CHAPTER 463. REGIONAL TRANSIT AUTHORITIES

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 463.001. DEFINITIONS. In this chapter:

1-28 (1) "Authority" means a regional transit authority  
 1-29 created under this chapter.

1-30 (2) "Complementary transportation services" includes:

1-31 (A) special transportation services for a person  
 1-32 who is elderly or has a disability;

1-33 (B) medical transportation services;

1-34 (C) assistance in street modifications as  
 1-35 necessary to accommodate the public transportation system;

1-36 (D) construction of new general aviation  
 1-37 facilities or renovation or purchase of existing facilities not  
 1-38 served by certificated air carriers to relieve air traffic  
 1-39 congestion at existing facilities; and

1-40 (E) any other service that complements the public  
 1-41 transportation system, including providing parking garages.

1-42 (3) "Executive committee" means the authority  
 1-43 directors who serve as the governing body of the authority.

1-44 (4) "Mass transit system" means a system constructed  
 1-45 by an authority for the transportation of passengers and  
 1-46 hand-carried packages or baggage of a passenger by any means of  
 1-47 surface, overhead, or underground transportation, other than an  
 1-48 aircraft or taxicab. The term includes a rail system and services  
 1-49 coordinated with a transit system operated by a municipality.

1-50 (5) "Public transportation system" means:

1-51 (A) all property owned or held by an authority  
 1-52 for public transportation service purposes;

1-53 (B) real property, facilities, and equipment for  
 1-54 the protection and environmental enhancement of all the facilities;  
 1-55 and

1-56 (C) property held:

1-57 (i) in accordance with a contract with the  
 1-58 owner making the property subject to the control of or regulation by  
 1-59 the authority; and

1-60 (ii) for public transportation service  
 1-61 purposes.

2-1                   (6) "Regional high capacity transit" means intercity  
 2-2 transit service designed to transport more people than typical,  
 2-3 local fixed-route bus service by using dedicated lanes or  
 2-4 rights-of-way or by having transit priority, including queue jumps  
 2-5 or traffic signal priority. The term includes bus rapid transit,  
 2-6 light rail, commuter rail, streetcars, high occupancy toll lanes,  
 2-7 or other fixed guideway operations.

2-8                   (7) "Service plan" means an outline of the service  
 2-9 that would be provided by the authority to counties if confirmed at  
 2-10 an election.

2-11                   Sec. 463.002. APPLICATION. This chapter applies to:

2-12                   (1) a county that is contiguous to the Gulf of Mexico  
 2-13 or a bay or inlet opening into the gulf and that borders the United  
 2-14 Mexican States; and

2-15                   (2) a county that borders a county described by  
 2-16 Subdivision (1).

2-17                   Sec. 463.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION  
 2-18 SERVICES. This chapter does not prohibit a municipality from  
 2-19 providing public transportation services. An authority may  
 2-20 coordinate the provision of services with the municipality and  
 2-21 include the services provided by the municipality in the  
 2-22 authority's service plan.

2-23                   SUBCHAPTER B. POWERS OF AUTHORITIES

2-24                   Sec. 463.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY.  
 2-25 This subchapter applies only to an authority that has been  
 2-26 confirmed.

2-27                   Sec. 463.052. NATURE OF AUTHORITY. (a) An authority:

2-28                   (1) is a public political entity and corporate body;

2-29                   (2) has perpetual succession; and

2-30                   (3) exercises public and essential governmental  
 2-31 functions.

2-32                   (b) The exercise of a power granted by this chapter,  
 2-33 including a power relating to a station or terminal complex, is for  
 2-34 a public purpose and is a matter of public necessity.

2-35                   (c) An authority is a governmental unit under Chapter 101,  
 2-36 Civil Practice and Remedies Code, and the operations of the  
 2-37 authority are not proprietary functions for any purpose including  
 2-38 the application of Chapter 101, Civil Practice and Remedies Code.

2-39                   Sec. 463.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY.  
 2-40 Except as provided by Section 463.104, the executive committee is  
 2-41 responsible for the management, operation, and control of an  
 2-42 authority and its property.

2-43                   Sec. 463.054. GENERAL POWERS OF AUTHORITY. (a) An  
 2-44 authority has any power necessary or convenient to carry out this  
 2-45 chapter or to effect a purpose of this chapter.

2-46                   (b) An authority may sue and be sued. An authority may not  
 2-47 be required to give security for costs in a suit brought or  
 2-48 prosecuted by the authority and may not be required to give a  
 2-49 supersedeas or cost bond in an appeal of a judgment.

2-50                   (c) An authority may hold, use, sell, lease, dispose of, and  
 2-51 acquire, by any means, property and licenses, patents, rights, and  
 2-52 other interests necessary, convenient, or useful to the exercise of  
 2-53 any power under this chapter.

2-54                   (d) An authority may sell, lease, or dispose of in another  
 2-55 manner:

2-56                   (1) any right, interest, or property of the authority  
 2-57 that is not needed for, or, if a lease, is inconsistent with, the  
 2-58 efficient operation and maintenance of the public transportation  
 2-59 system; or

2-60                   (2) at any time, surplus materials or other property  
 2-61 that is not needed for the requirements of the authority or for  
 2-62 carrying out a power under this chapter.

2-63                   (e) An authority may leverage funds with a municipality that  
 2-64 provides public transportation services in the territory of the  
 2-65 authority to finance a project.

2-66                   Sec. 463.055. CONTRACTS; GRANTS AND LOANS. (a) An  
 2-67 authority may contract with any person.

2-68                   (b) An authority may accept a grant or loan from any person.

2-69                   (c) An authority may enter one or more agreements with any

3-1 municipality included in the territory of the authority for the  
 3-2 distribution of the authority's revenues.

3-3 Sec. 463.056. OPERATION OF PUBLIC TRANSPORTATION SYSTEM.

3-4 (a) An authority may:

3-5 (1) acquire, construct, develop, plan, own, operate,  
 3-6 and maintain a public transportation system in the territory of the  
 3-7 authority, including in the territory of a political subdivision;

3-8 (2) contract with a municipality, county, or other  
 3-9 political subdivision for the authority to provide public  
 3-10 transportation services outside the authority; and

3-11 (3) lease all or a part of the public transportation  
 3-12 system to, or contract for the operation of all or a part of the  
 3-13 public transportation system by, an operator.

3-14 (b) An authority, as the authority determines advisable,  
 3-15 shall determine routes.

3-16 (c) The executive committee may submit a referendum for the  
 3-17 approval of a power granted by Subsection (a) or (b).

3-18 (d) A private operator who contracts with an authority under  
 3-19 this chapter is not a public entity for purposes of any law of this  
 3-20 state except that an independent contractor of the authority that  
 3-21 performs a function of the authority is liable for damages only to  
 3-22 the extent that the authority would be liable if the authority  
 3-23 itself were performing the function.

3-24 Sec. 463.057. ACQUISITION OF PROPERTY BY AGREEMENT. An  
 3-25 authority may acquire rolling stock or other property under a  
 3-26 contract or trust agreement, including a conditional sales  
 3-27 contract, lease, and equipment trust certificate.

3-28 Sec. 463.058. USE AND ACQUISITION OF PROPERTY OF OTHERS.

3-29 (a) For a purpose described by Section 463.056(a)(1) and as  
 3-30 necessary or useful in the construction, repair, maintenance, or  
 3-31 operation of the public transportation system, an authority may:

3-32 (1) use a public way, including an alley; and

3-33 (2) directly, or indirectly by another person,  
 3-34 relocate or reroute the property of another person or alter the  
 3-35 construction of the property of another person.

3-36 (b) For an act authorized by Subsection (a)(2), an authority  
 3-37 may contract with the owner of the property to allow the owner to  
 3-38 make the relocation, rerouting, or alteration by the owner's own  
 3-39 means or through a contractor of the owner. The contract may  
 3-40 provide for reimbursement of the owner for costs or payment to the  
 3-41 contractor.

3-42 (c) An authority may acquire by eminent domain any interest  
 3-43 in real property, including a fee simple interest, except the right  
 3-44 of eminent domain may not be exercised:

3-45 (1) in a municipality without the approval of each  
 3-46 proposed acquisition by the governing body of the municipality or  
 3-47 in an unincorporated area without the approval of each proposed  
 3-48 acquisition by the commissioners court of the county in which the  
 3-49 property to be condemned is located; or

3-50 (2) in a manner that would:

3-51 (A) unduly impair the existing neighborhood  
 3-52 character of property surrounding, or adjacent to, the property to  
 3-53 be condemned;

3-54 (B) unduly interfere with interstate commerce;  
 3-55 or

3-56 (C) authorize the authority to run an authority  
 3-57 vehicle on a railroad track that is used to transport property.

3-58 (d) If an authority, through the exercise of a power under  
 3-59 this chapter, makes necessary the relocation or rerouting of, or  
 3-60 alteration of the construction of, a road, alley, overpass,  
 3-61 underpass, railroad track, bridge, or associated property, an  
 3-62 electric, telegraph, telephone, or television cable line, conduit,  
 3-63 or associated property, or a water, sewer, gas, or other pipeline,  
 3-64 or associated property, the relocation or rerouting or alteration  
 3-65 of the construction must be accomplished at the sole cost and  
 3-66 expense of the authority, and damages that are incurred by an owner  
 3-67 of the property must be paid by the authority.

3-68 (e) An authority may not begin an activity authorized under  
 3-69 Subsection (a) to alter or damage property of others, including

4-1 this state or a political subdivision of this state, without having  
 4-2 first received the written permission of the owner.

4-3 (f) In this subsection, "telecommunications provider" has  
 4-4 the meaning assigned by Section 51.002, Utilities Code.  
 4-5 Notwithstanding Subsection (a), an authority may not relocate the  
 4-6 property of a telecommunications provider on behalf of the provider  
 4-7 without the provider's permission.

4-8 (g) Subsections (e) and (f) do not apply if the power of  
 4-9 eminent domain is exercised.

4-10 Sec. 463.059. EMINENT DOMAIN PROCEEDINGS. (a) An eminent  
 4-11 domain proceeding by an authority is initiated by the adoption by  
 4-12 the executive committee of a resolution, after notice and a  
 4-13 hearing, that:

4-14 (1) describes the property interest to be acquired by  
 4-15 the authority;

4-16 (2) declares the public necessity for and interest in  
 4-17 the acquisition; and

4-18 (3) states that the acquisition is necessary and  
 4-19 proper for the construction, extension, improvement, or  
 4-20 development of the public transportation system.

4-21 (b) A resolution adopted under this section and approved by  
 4-22 resolution of the appropriate municipal governing body or  
 4-23 commissioners court is conclusive evidence of the public necessity  
 4-24 for the acquisition described in the resolution and that the  
 4-25 property interest is necessary for public use.

4-26 (c) Except as otherwise provided by this chapter, Chapter  
 4-27 21, Property Code, applies to an eminent domain proceeding by an  
 4-28 authority.

4-29 Sec. 463.060. AGREEMENT WITH UTILITIES; CARRIERS. An  
 4-30 authority may agree with any other public or private utility,  
 4-31 communication system, common carrier, or transportation system  
 4-32 for:

4-33 (1) the joint use in the authority of the property of  
 4-34 the agreeing entities; or

4-35 (2) the establishment of through routes, joint fares,  
 4-36 or transfers of passengers.

4-37 Sec. 463.061. FARES AND OTHER CHARGES. (a) An authority  
 4-38 shall impose reasonable and nondiscriminatory fares, tolls,  
 4-39 charges, rents, and other compensation for the use of the public  
 4-40 transportation system sufficient to produce revenue, together with  
 4-41 grants received by the authority, in an amount adequate to:

4-42 (1) pay all expenses necessary to operate and maintain  
 4-43 the public transportation system;

4-44 (2) pay when due the principal of and interest on, and  
 4-45 sinking fund and reserve fund payments agreed to be made with  
 4-46 respect to, all bonds that are issued by the authority and payable  
 4-47 wholly or partly from the revenue; and

4-48 (3) fulfill the terms of any other agreement with the  
 4-49 holders of bonds described by Subdivision (2) or with a person  
 4-50 acting on behalf of the bondholders.

4-51 (b) It is intended by this chapter that the compensation  
 4-52 imposed under Subsection (a) not exceed the amounts necessary to  
 4-53 produce revenue sufficient to meet the obligations of the authority  
 4-54 under this chapter.

4-55 (c) Compensation for the use of the public transportation  
 4-56 system may be set according to a zone system or to another  
 4-57 classification that the authority determines to be reasonable.

4-58 (d) This section does not limit the state's power to  
 4-59 regulate fares, tolls, charges, or rents imposed by an authority or  
 4-60 other compensation authorized under this section. The state agrees  
 4-61 with holders of bonds issued under this chapter, however, not to  
 4-62 alter the power given to an authority under this section to impose  
 4-63 fares, tolls, charges, rents, and other compensation in amounts  
 4-64 sufficient to comply with Subsection (a), or to impair the rights  
 4-65 and remedies of an authority bondholder, or a person acting on  
 4-66 behalf of a bondholder, until the bonds, interest on the bonds,  
 4-67 interest on unpaid installments of interest, costs and expenses in  
 4-68 connection with an action or proceeding by or on behalf of a  
 4-69 bondholder, and other obligations of the authority in connection

5-1 with the bonds are discharged.

5-2 Sec. 463.062. ENFORCEMENT OF FARES AND OTHER CHARGES;  
 5-3 PENALTIES. (a) The executive committee by resolution may prohibit  
 5-4 the use of the public transportation system by a person without  
 5-5 payment of the appropriate fare for the use of the system and may  
 5-6 establish reasonable and appropriate methods to ensure that persons  
 5-7 using the public transportation system pay the appropriate fare for  
 5-8 that use.

5-9 (b) The executive committee by resolution may provide that a  
 5-10 fare for or charge for the use of the public transportation system  
 5-11 that is not paid incurs a reasonable administrative fee.

5-12 (c) An authority shall post signs designating each area in  
 5-13 which a person is prohibited from using the transportation system  
 5-14 without payment of the appropriate fare.

5-15 (d) A person commits an offense if the person or another for  
 5-16 whom the person is criminally responsible under Section 7.02, Penal  
 5-17 Code, uses the public transportation system without paying the  
 5-18 appropriate fare. An offense under this section is:

5-19 (1) a misdemeanor punishable by a fine not to exceed  
 5-20 \$100; and

5-21 (2) not a crime of moral turpitude.

5-22 (e) If the person fails to provide proof that the person  
 5-23 paid the appropriate fare for the use of the public transportation  
 5-24 system and fails to pay any administrative fee assessed under  
 5-25 Subsection (b) on or before the 30th day after the date the  
 5-26 authority notifies the person that the person is required to pay the  
 5-27 amount of the fare and the administrative fee, it is prima facie  
 5-28 evidence that the person used the public transportation system  
 5-29 without paying the appropriate fare.

5-30 (f) The notice required by Subsection (e) may be included in  
 5-31 a citation issued to the person by a peace officer under Article  
 5-32 14.06, Code of Criminal Procedure, or by a fare enforcement officer  
 5-33 under Section 463.063, in connection with an offense relating to  
 5-34 the nonpayment of the appropriate fare for the use of the public  
 5-35 transportation system.

5-36 (g) It is an exception to the application of Subsection (d)  
 5-37 that on or before the 30th day after the date the authority notified  
 5-38 the person that the person is required to pay the amount of the fare  
 5-39 and any administrative fee assessed under Subsection (b), the  
 5-40 person:

5-41 (1) provided proof that the person paid the  
 5-42 appropriate fare at the time the person used the public  
 5-43 transportation system or at a later date or that the person was  
 5-44 exempt from payment; and

5-45 (2) paid the administrative fee assessed under  
 5-46 Subsection (b), if applicable.

5-47 (h) A justice court located in the territory of the  
 5-48 authority may enter into an agreement with the authority to try all  
 5-49 criminal cases that arise under Subsection (d). Notwithstanding  
 5-50 Articles 4.12 and 4.14, Code of Criminal Procedure, if a justice  
 5-51 court enters into an agreement with the authority:

5-52 (1) a criminal case that arises under Subsection (d)  
 5-53 must be tried in the justice court; and

5-54 (2) the justice court has exclusive jurisdiction in  
 5-55 all criminal cases that arise under Subsection (d).

5-56 Sec. 463.063. FARE ENFORCEMENT OFFICERS. (a) An authority  
 5-57 may employ or contract for persons to serve as fare enforcement  
 5-58 officers to enforce the payment of fares for use of the public  
 5-59 transportation system by:

5-60 (1) requesting and inspecting evidence showing  
 5-61 payment of the appropriate fare from a person using the public  
 5-62 transportation system; and

5-63 (2) issuing a citation to a person described by  
 5-64 Section 463.062(d).

5-65 (b) Before commencing duties as a fare enforcement officer,  
 5-66 a person must complete at least eight hours of training approved by  
 5-67 the authority that is appropriate to the duties required of a fare  
 5-68 enforcement officer.

5-69 (c) While performing duties, a fare enforcement officer

6-1 shall:

6-2 (1) wear a distinctive uniform, badge, or insignia  
6-3 that identifies the person as a fare enforcement officer; and

6-4 (2) work under the direction of the authority's chief  
6-5 executive officer.

6-6 (d) A fare enforcement officer may:

6-7 (1) request evidence showing payment of the  
6-8 appropriate fare from passengers of the public transportation  
6-9 system or evidence showing exemption from the payment requirement;

6-10 (2) request personal identification or other  
6-11 documentation designated by the authority from a passenger who does  
6-12 not produce evidence showing payment of the appropriate fare on  
6-13 request by the officer;

6-14 (3) instruct a passenger to immediately leave the  
6-15 public transportation system if the passenger does not possess  
6-16 evidence showing payment or exemption from payment of the  
6-17 appropriate fare; or

6-18 (4) file a complaint in the appropriate court that  
6-19 charges the person with an offense under Section 463.062(d).

6-20 (e) A fare enforcement officer may not carry a weapon while  
6-21 performing duties under this section unless the officer is a  
6-22 certified peace officer.

6-23 (f) A fare enforcement officer who is not a certified peace  
6-24 officer is not a peace officer and has no authority to enforce a  
6-25 criminal law, except as provided by this section.

6-26 Sec. 463.064. ENFORCEMENT OF HIGH OCCUPANCY VEHICLE LANE  
6-27 USAGE. (a) The executive committee by resolution may regulate or  
6-28 prohibit improper entrance into, exit from, and vehicle occupancy  
6-29 in high occupancy vehicle lanes operated, managed, or maintained by  
6-30 the authority.

6-31 (b) The executive committee by resolution may establish  
6-32 reasonable and appropriate methods to enforce regulations or  
6-33 prohibitions established under Subsection (a).

6-34 Sec. 463.065. INSURANCE. (a) An authority may insure,  
6-35 through purchased insurance policies or self-insurance programs,  
6-36 or both, the legal liability of the authority and of its contractors  
6-37 and subcontractors arising from the acquisition, construction, or  
6-38 operation of the programs and facilities of the authority for:

6-39 (1) personal or property damage; and

6-40 (2) officers' and employees' liability.

6-41 (b) An authority may use contracts, rating plans, and risk  
6-42 management programs designed to encourage accident prevention.

6-43 (c) In developing an insurance or self-insurance program,  
6-44 an authority may consider the peculiar hazards, indemnity  
6-45 standards, and past and prospective loss and expense experience of  
6-46 the authority and of its contractors and subcontractors.

6-47 Sec. 463.066. TAX EXEMPTION. The property, revenue, and  
6-48 income of an authority are exempt from state and local taxes.

6-49 Sec. 463.067. CONTINUATION OF EXISTING RAIL USE. For  
6-50 purposes of ownership or transfer of ownership of an interest in  
6-51 real property, a rail mass transit system line operating on  
6-52 property previously used by a railroad, railway, street railway, or  
6-53 interurban railway is a continuation of existing rail use.

6-54 Sec. 463.068. ELECTIONS. (a) In an election ordered by the  
6-55 executive committee:

6-56 (1) the executive committee shall give notice of the  
6-57 election by publication in a newspaper of general circulation in  
6-58 the authority at least once each week for three consecutive weeks,  
6-59 with the first publication occurring at least 21 days before the  
6-60 date of election; and

6-61 (2) a resolution ordering the election and the  
6-62 election notice must show, in addition to the requirements of the  
6-63 Election Code, the hours of the election and polling places in  
6-64 election precincts.

6-65 (b) Subsection (a) does not apply to an election under  
6-66 Section 463.309.

6-67 (c) A copy of the notice of each election held under this  
6-68 chapter shall be furnished to the Texas Transportation Commission  
6-69 and the comptroller.

7-1 Sec. 463.069. ADDITIONAL FEE. (a) In addition to a toll or  
7-2 other charge imposed under Section 367.011 or other law, an entity  
7-3 that operates an international bridge may impose a fee for the use  
7-4 of the bridge as follows:

- 7-5 (1) not more than \$1 for passenger vehicles;
- 7-6 (2) not more than \$2 for commercial motor vehicles;
- 7-7 and
- 7-8 (3) not more than 25 cents for pedestrians.

7-9 (b) Before a fee may be imposed under this section, the  
7-10 entity must enter into a written agreement with an authority  
7-11 relating to the imposition and disposition of the fee. The  
7-12 agreement must provide:

- 7-13 (1) for collection of the fee by the entity and  
7-14 remittance of the authority's portion of the fee to the authority  
7-15 each month; and
- 7-16 (2) if more than one entity operates an international  
7-17 bridge, for the division of the amount described by Subsection  
7-18 (c)(1) among the entities.

7-19 (c) Of the fees collected under this section:

- 7-20 (1) 25 percent shall be retained by the entity for  
7-21 transportation projects or complementary transportation services;
- 7-22 (2) 50 percent shall be used for a rail mass transit  
7-23 system; and
- 7-24 (3) 25 percent shall be used for regional high  
7-25 capacity transit.

7-26 (d) The percentage described by Subsection (c)(3) may be  
7-27 retained by the entity if:

- 7-28 (1) the entity is a mass transit provider; and
- 7-29 (2) mass transit was provided in the municipality in  
7-30 which the international bridge is located on or before January 1,  
7-31 2019.

7-32 SUBCHAPTER C. MANAGEMENT OF AUTHORITY

7-33 Sec. 463.101. POWERS AND AUTHORITY OF EXECUTIVE COMMITTEE.

7-34 (a) The executive committee may:

- 7-35 (1) employ and prescribe the compensation for a chief  
7-36 executive officer whom the committee may designate as the general  
7-37 manager or the executive director;
- 7-38 (2) appoint auditors and attorneys and prescribe their  
7-39 duties, compensation, and tenure;
- 7-40 (3) adopt a seal for the authority;
- 7-41 (4) set the fiscal year for the authority;
- 7-42 (5) establish a complete system of accounts for the  
7-43 authority;
- 7-44 (6) designate by resolution an authorized  
7-45 representative of the authority to, according to terms prescribed  
7-46 by the executive committee;
- 7-47 (A) invest authority funds; and
- 7-48 (B) withdraw money from authority accounts for  
7-49 investments; and
- 7-50 (7) designate by resolution an authorized  
7-51 representative of the authority to supervise the substitution of  
7-52 securities pledged to secure authority funds.

7-53 (b) The executive committee is the local designated  
7-54 recipient of funds committed to the authority by the federal  
7-55 government.

7-56 Sec. 463.102. INVESTMENTS. The executive committee shall  
7-57 invest authority funds in any investment authorized for an entity  
7-58 under Chapter 2256, Government Code.

7-59 Sec. 463.103. DEPOSITORY; DEPOSIT OF FUNDS. (a) The  
7-60 executive committee shall designate one or more banks as  
7-61 depositories for authority funds.

7-62 (b) An authority shall deposit all funds of the authority  
7-63 that are not otherwise invested in one or more of the authority's  
7-64 depository banks unless otherwise required by an order or  
7-65 resolution authorizing the issuance of an authority bond or note or  
7-66 other contractual undertaking.

7-67 (c) Funds in a depository, to the extent that those funds  
7-68 are not insured by the Federal Deposit Insurance Corporation, shall  
7-69 be secured in the manner provided by law for the security of county

8-1 funds.

8-2 Sec. 463.104. CHIEF EXECUTIVE OFFICER: DUTIES. (a) The  
 8-3 general manager or executive director, as designated under Section  
 8-4 463.101(a)(1), shall administer the daily operation of an  
 8-5 authority.

8-6 (b) In conformity with the policy of the executive  
 8-7 committee, the general manager or executive director may:

8-8 (1) employ persons to conduct the affairs of the  
 8-9 authority, including any operating or management company; and

8-10 (2) remove any employee.

8-11 (c) The general manager or executive director shall  
 8-12 prescribe the duties, tenure, and compensation of each person  
 8-13 employed.

8-14 Sec. 463.105. RULES. (a) The executive committee by  
 8-15 resolution may adopt rules for the:

8-16 (1) safe and efficient operation and maintenance of  
 8-17 the public transportation system;

8-18 (2) use of the public transportation system and the  
 8-19 authority's services by the public and the payment of fares, tolls,  
 8-20 and other charges; and

8-21 (3) regulation of privileges on property owned,  
 8-22 leased, or otherwise controlled by the authority.

8-23 (b) The authority shall encourage to the maximum extent  
 8-24 feasible the participation of private enterprise.

8-25 (c) A notice of each rule adopted by the executive committee  
 8-26 shall be published in a newspaper with general circulation in the  
 8-27 area in which the authority is located once each week for two  
 8-28 consecutive weeks after adoption of the rule. The notice must  
 8-29 contain a condensed statement of the substance of the rule and must  
 8-30 advise that a copy of the complete text of the rule is filed in the  
 8-31 principal office of the authority where the text may be read by any  
 8-32 person.

8-33 (d) A rule becomes effective 10 days after the date of the  
 8-34 second publication of the notice under this section.

8-35 Sec. 463.1055. PROCUREMENT RULES. (a) The executive  
 8-36 committee may adopt and enforce procurement procedures,  
 8-37 guidelines, and rules:

8-38 (1) defining the terms in and implementing Sections  
 8-39 463.106 and 463.107; or

8-40 (2) covering:

8-41 (A) the appointment of contracting officers;

8-42 (B) the solicitation for and award of contracts,  
 8-43 including the electronic transmission of bids and proposals and the  
 8-44 use of the reverse auction procedure, as defined by Section  
 8-45 2155.062, Government Code;

8-46 (C) the resolution of protests and contract  
 8-47 disputes;

8-48 (D) foreign currency transactions and  
 8-49 conversions and foreign exchange rate risk management; or

8-50 (E) other aspects of the procurement process for  
 8-51 domestic and international contracts.

8-52 (b) Sections 463.106 and 463.107 and the procedures,  
 8-53 guidelines, or rules adopted under this section confer no rights on  
 8-54 an actual or potential bidder, offeror, contractor, or other person  
 8-55 except as expressly stated in the procedures, guidelines, or rules.

8-56 (c) A procurement procedure, guideline, or rule covering  
 8-57 the electronic transmission of bids and proposals must provide:

8-58 (1) for the identification, security, and  
 8-59 confidentiality of an electronic bid or proposal;

8-60 (2) that an electronic bid or proposal is not required  
 8-61 to be sealed; and

8-62 (3) that an electronic bid or proposal remains  
 8-63 effectively unopened until the appropriate time.

8-64 Sec. 463.106. PURCHASES: COMPETITIVE BIDDING. (a) Except  
 8-65 as provided by Subsection (c) and as otherwise provided by this  
 8-66 chapter, an authority may not award a contract for construction,  
 8-67 services, or property, other than real property, except through the  
 8-68 solicitation of competitive sealed bids or proposals ensuring full  
 8-69 and open competition.

9-1 (b) The authority shall describe in a solicitation each  
 9-2 factor to be used to evaluate a bid or proposal and give the  
 9-3 factor's relative importance.

9-4 (c) The executive committee may authorize the negotiation  
 9-5 of a contract without competitive sealed bids or proposals if:

9-6 (1) the aggregate amount involved in the contract is  
 9-7 \$50,000 or less;

9-8 (2) the contract is for construction for which not  
 9-9 more than one bid or proposal is received;

9-10 (3) the contract is for services or property for which  
 9-11 there is only one source or for which it is otherwise impracticable  
 9-12 to obtain competition;

9-13 (4) the contract is to respond to an emergency for  
 9-14 which the public exigency does not permit the delay incident to the  
 9-15 competitive process;

9-16 (5) the contract is for personal or professional  
 9-17 services or services for which competitive bidding is precluded by  
 9-18 law; or

9-19 (6) the contract, without regard to form and which may  
 9-20 include bonds, notes, loan agreements, or other obligations, is for  
 9-21 the purpose of borrowing money or is a part of a transaction  
 9-22 relating to the borrowing of money, including:

9-23 (A) a credit support agreement, such as a line or  
 9-24 letter of credit or other debt guaranty;

9-25 (B) a bond, note, debt sale or purchase, trustee,  
 9-26 paying agent, remarketing agent, indexing agent, or similar  
 9-27 agreement;

9-28 (C) an agreement with a securities dealer,  
 9-29 broker, or underwriter; and

9-30 (D) any other contract or agreement considered by  
 9-31 the executive committee to be appropriate or necessary in support  
 9-32 of the authority's financing activities.

9-33 Sec. 463.107. DURATION OF CONTRACTS. An authority may  
 9-34 contract for payment with debt obligations and for performance and  
 9-35 payments to extend longer than one fiscal year if the contract  
 9-36 provides for the discharge of the authority's contractual  
 9-37 obligations by any method, including:

9-38 (1) committing current year funds or cancellation  
 9-39 charges; and

9-40 (2) making the contract subject to the future  
 9-41 availability of funds.

9-42 Sec. 463.108. SECURITY. The executive committee may  
 9-43 establish a security force and provide for the employment of  
 9-44 security personnel.

9-45 Sec. 463.109. BUDGET RECOMMENDATIONS. The executive  
 9-46 committee shall make a proposed annual budget available to the  
 9-47 commissioners courts of the counties in the authority at least 30  
 9-48 days before the date of the adoption by the executive committee of  
 9-49 the final annual budget.

9-50 Sec. 463.110. FINANCIAL AUDITS. (a) The executive  
 9-51 committee of an authority shall have an annual audit of the affairs  
 9-52 of the authority prepared by an independent certified public  
 9-53 accountant or a firm of independent certified public accountants.

9-54 (b) The final audit report is open to public inspection.

9-55 SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

9-56 Sec. 463.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN.

9-57 (a) An authority may not acquire an interest in real property for a  
 9-58 station or terminal complex unless the station or terminal complex  
 9-59 is included in the public transportation system in a comprehensive  
 9-60 service plan approved by a resolution of the executive committee. A  
 9-61 mass transit facility of an authority is not a station or terminal  
 9-62 complex under this subchapter unless the facility is included in  
 9-63 the authority's comprehensive service plan under this section.

9-64 (b) A station or terminal complex may not be included in a  
 9-65 public transportation system unless the executive committee first  
 9-66 finds that the station or complex:

9-67 (1) will encourage and provide for efficient and  
 9-68 economical public transportation;

9-69 (2) will facilitate access to public transportation

10-1 and provide for other public transportation purposes;  
 10-2 (3) will reduce vehicular congestion and air  
 10-3 pollution; and

10-4 (4) is reasonably essential to the successful  
 10-5 operation of the public transportation system.

10-6 (c) On making a finding under Subsection (b), the executive  
 10-7 committee may amend the authority's comprehensive service plan to  
 10-8 include a station or terminal complex.

10-9 Sec. 463.152. STATION OR TERMINAL COMPLEX: FACILITIES. A  
 10-10 station or terminal complex of an authority:

10-11 (1) must include adequate provisions for the transfer  
 10-12 of passengers among the various means of transportation available  
 10-13 to the complex; and

10-14 (2) may include provisions for residential,  
 10-15 institutional, recreational, commercial, and industrial  
 10-16 facilities.

10-17 Sec. 463.153. STATION OR TERMINAL COMPLEX: LOCATION. An  
 10-18 authority shall determine the location of a station or terminal  
 10-19 complex after notice and a hearing.

10-20 Sec. 463.1535. APPROVAL OF MUNICIPALITY. The location of a  
 10-21 station or terminal complex in a municipality or in the  
 10-22 extraterritorial jurisdiction of a municipality must be approved,  
 10-23 as to conformity with the comprehensive or general plan of the  
 10-24 municipality, by a motion, resolution, or ordinance adopted by the  
 10-25 governing body of the municipality.

10-26 Sec. 463.154. TRANSFER OF REAL PROPERTY IN STATION OR  
 10-27 TERMINAL COMPLEX. (a) An authority may transfer to any person by  
 10-28 any means, including sale or lease, an interest in real property in  
 10-29 a station or terminal complex and may contract with respect to it,  
 10-30 in accordance with the comprehensive service plan approved by the  
 10-31 executive committee, and subject to terms:

10-32 (1) the executive committee finds to be in the public  
 10-33 interest or necessary to carry out this section; and

10-34 (2) specified in the instrument transferring the title  
 10-35 or right of use.

10-36 (b) A transfer must be at the fair value of the interest  
 10-37 transferred considering the use designated for the real property in  
 10-38 the authority's comprehensive service plan.

10-39 SUBCHAPTER E. BONDS

10-40 Sec. 463.201. DEFINITION. In this subchapter, "bond"  
 10-41 includes a note.

10-42 Sec. 463.202. POWER TO ISSUE BONDS. (a) An authority may  
 10-43 issue bonds at any time and for any amounts it considers necessary  
 10-44 or appropriate for:

10-45 (1) the acquisition, construction, repair, equipping,  
 10-46 improvement, or extension of its public transportation system; or

10-47 (2) creating or funding self-insurance or retirement  
 10-48 or pension fund reserves.

10-49 (b) An authority may exercise the powers granted to the  
 10-50 governing body of an issuer in connection with the issuance of  
 10-51 obligations and the execution of credit agreements under Chapter  
 10-52 1371, Government Code.

10-53 (c) A bond that has a maturity longer than five years from  
 10-54 the date of issuance may not be issued by an authority until an  
 10-55 election has been held and the proposition proposing the issue has  
 10-56 been approved by a majority of the votes received on the issue.

10-57 (d) Subsection (c) does not apply to:

10-58 (1) refunding bonds;

10-59 (2) bonds described by Subsection (a)(2); or

10-60 (3) commercial paper notes having maturities of 270  
 10-61 days or less that are authorized to be issued and reissued from time

10-62 to time under a commercial paper program in a maximum principal  
 10-63 amount that the chief financial officer certifies, based on

10-64 reasonable estimates of pledged revenue, can be repaid in full  
 10-65 within five years after the date of authorization of the commercial

10-66 paper program, taking into consideration any other bonds or notes  
 10-67 having a prior or parity lien on the pledged revenue, regardless of

10-68 the final date of the commercial paper program.  
 10-69 (e) A commercial paper program described by Subsection

11-1 (d)(3) may not be continued beyond five years unless, before  
 11-2 issuing any note with a maturity exceeding five years from the date  
 11-3 of the initial authorization of the program or five years from the  
 11-4 date of any new certification, the chief financial officer provides  
 11-5 a new certification that the maximum principal amount of the  
 11-6 program, based on reasonable estimates of pledged revenue, can be  
 11-7 repaid in full within five years after the date of the most recent  
 11-8 new certification, taking into consideration any other bonds or  
 11-9 notes having a prior or parity lien on the pledged revenue.

11-10 Sec. 463.203. BOND TERMS. (a) An authority's bonds are  
 11-11 fully negotiable. An authority may make the bonds redeemable  
 11-12 before maturity at the price and subject to the terms that are  
 11-13 provided in the authority's resolution authorizing the bonds. The  
 11-14 authority's resolution authorizing the bonds may contain any other  
 11-15 terms the executive committee considers appropriate.

11-16 (b) A bond issued under this subchapter is not a debt or  
 11-17 pledge of the faith and credit of the state, a political subdivision  
 11-18 included in the boundaries of the authority, or any other political  
 11-19 subdivision of the state.

11-20 (c) Each bond issued by an authority under this subchapter  
 11-21 must contain on its face a statement substantially to the effect  
 11-22 that:

11-23 (1) the state, a political subdivision included in the  
 11-24 boundaries of the authority, or any other political subdivision of  
 11-25 the state is not obligated to pay the principal of or the interest  
 11-26 on the bond; and

11-27 (2) the faith and credit and taxing power of the state,  
 11-28 a political subdivision included in the boundaries of the  
 11-29 authority, or any other political subdivision of the state are not  
 11-30 pledged to the payment of the principal of or the interest on the  
 11-31 bond.

11-32 Sec. 463.204. SALE. An authority's bonds may be sold at a  
 11-33 public or private sale as determined by the executive committee to  
 11-34 be the more advantageous.

11-35 Sec. 463.205. APPROVAL; REGISTRATION. (a) An authority's  
 11-36 bonds and the records relating to their issuance shall be submitted  
 11-37 to the attorney general for examination before the bonds may be  
 11-38 delivered.

11-39 (b) If the attorney general finds that the bonds have been  
 11-40 issued in conformity with the constitution and this chapter and  
 11-41 that the bonds will be a binding obligation of the issuing  
 11-42 authority, the attorney general shall approve the bonds.

11-43 (c) After the bonds are approved by the attorney general,  
 11-44 the comptroller shall register the bonds.

11-45 Sec. 463.206. INCONTESTABILITY. Bonds are incontestable  
 11-46 after they are:

11-47 (1) approved by the attorney general;

11-48 (2) registered by the comptroller; and

11-49 (3) sold and delivered to the purchaser.

11-50 Sec. 463.207. SECURITY PLEDGED. (a) To secure the payment  
 11-51 of an authority's bonds, the authority may:

11-52 (1) pledge any part of the revenue of the public  
 11-53 transportation system;

11-54 (2) mortgage any part of the public transportation  
 11-55 system, including any part of the system subsequently acquired;

11-56 (3) pledge all or part of funds the federal government  
 11-57 has committed to the authority as grants in aid; and

11-58 (4) provide that a pledge of revenue described by  
 11-59 Subdivision (1) is a first or subordinate lien or charge against  
 11-60 that revenue.

11-61 (b) Under Subsection (a)(2), an authority may, subject to  
 11-62 the terms of the bond indenture or the resolution authorizing the  
 11-63 issuance of the bonds, encumber a separate item of the public  
 11-64 transportation system and acquire, use, hold, or contract for the  
 11-65 property by lease, chattel mortgage, or other conditional sale  
 11-66 including an equipment trust transaction.

11-67 (c) An authority may not issue bonds secured by ad valorem  
 11-68 tax revenue.

11-69 (d) An authority is not prohibited by this subchapter from

12-1 encumbering one or more public transportation systems to purchase,  
 12-2 construct, extend, or repair one or more other public  
 12-3 transportation systems of the authority.

12-4 (e) The authority may pledge funds described by Subsection  
 12-5 (a)(3):

12-6 (1) as the sole security for the bonds; or

12-7 (2) in addition to any other security described by  
 12-8 this section.

12-9 Sec. 463.208. USE OF REVENUE. Revenue in excess of amounts  
 12-10 pledged under Section 463.207(a)(1) shall be used to:

12-11 (1) pay the expenses of operation and maintenance of a  
 12-12 public transportation system, including salaries, labor,  
 12-13 materials, and repairs necessary to provide efficient service and  
 12-14 every other proper item of expense; and

12-15 (2) fund operating reserves.

12-16 Sec. 463.209. REFUNDING BONDS. An authority may issue  
 12-17 refunding bonds for the purposes and in the manner authorized by  
 12-18 general law, including Chapter 1207, Government Code.

12-19 Sec. 463.210. BONDS AS AUTHORIZED INVESTMENTS. (a) An  
 12-20 authority's bonds are authorized investments for:

12-21 (1) a bank;

12-22 (2) a savings bank;

12-23 (3) a trust company;

12-24 (4) a savings and loan association; and

12-25 (5) an insurance company.

12-26 (b) The bonds, when accompanied by all appurtenant,  
 12-27 unmatured coupons and to the extent of the lesser of their face  
 12-28 value or market value, are eligible to secure the deposit of public  
 12-29 funds of this state, a political subdivision of this state, and any  
 12-30 other political corporation of this state.

12-31 Sec. 463.211. EXCHANGE OF BONDS FOR EXISTING SYSTEM. An  
 12-32 authority's revenue bonds may be exchanged, instead of cash, for  
 12-33 the property of all or part of an existing public transportation  
 12-34 system to be acquired by the authority. If the property is owned by  
 12-35 a corporation that will dissolve simultaneously with the exchange,  
 12-36 the authority may acquire the stock of the corporation.

12-37 Sec. 463.212. TAX EXEMPTION. The interest on bonds issued  
 12-38 by an authority is exempt from state and local taxes.

#### 12-39 SUBCHAPTER F. EXECUTIVE COMMITTEE

12-40 Sec. 463.251. COMPOSITION. (a) The executive committee of  
 12-41 an authority is the board of directors of the regional planning  
 12-42 commission established for the area of the authority under Chapter  
 12-43 391, Local Government Code.

12-44 (b) Service on the executive committee by a public officer  
 12-45 or employee is an additional duty of the office or employment.

12-46 Sec. 463.252. OFFICERS. (a) The officers elected by the  
 12-47 board of directors of the regional planning commission described by  
 12-48 Section 463.251(a) shall serve as the officers of the executive  
 12-49 committee.

12-50 (b) The executive committee may appoint, as necessary,  
 12-51 members or nonmembers as assistant secretaries.

12-52 (c) The secretary or assistant secretary shall:

12-53 (1) keep permanent records of each proceeding and  
 12-54 transaction of the authority; and

12-55 (2) perform other duties assigned by the executive  
 12-56 committee.

12-57 Sec. 463.253. CONFLICTS OF INTEREST. Members of the  
 12-58 executive committee and officers of the authority are subject to  
 12-59 Chapter 171, Local Government Code.

12-60 Sec. 463.254. MEETINGS. (a) The executive committee shall  
 12-61 hold at least one regular meeting each month to transact the  
 12-62 business of an authority.

12-63 (b) On written notice, the presiding officer may call  
 12-64 special meetings as necessary.

12-65 (c) The executive committee by resolution shall:

12-66 (1) set the time, place, and day of the regular  
 12-67 meetings; and

12-68 (2) adopt rules and bylaws as necessary to conduct  
 12-69 meetings.

13-1 Sec. 463.255. VOTING REQUIREMENTS. A majority of the  
 13-2 members of the executive committee constitutes a quorum, and when a  
 13-3 quorum is present, action may be taken by a majority vote of the  
 13-4 members present unless the bylaws require a larger number for a  
 13-5 particular action.

13-6 SUBCHAPTER G. CREATION OF AUTHORITIES

13-7 Sec. 463.301. CREATION OF AUTHORITY AUTHORIZED. The board  
 13-8 of directors of the regional planning commission established for  
 13-9 the area included in the boundaries of the counties to which this  
 13-10 chapter applies may initiate the process to create a regional  
 13-11 transit authority to provide public transportation services in the  
 13-12 boundaries of those counties.

13-13 Sec. 463.302. INITIATING ORDER OR RESOLUTION: CONTENTS.  
 13-14 To initiate the process of creating an authority, the board of  
 13-15 directors described by Section 463.301 must adopt a resolution or  
 13-16 order containing the designation of each time and place for holding  
 13-17 public hearings on the proposal to create the authority.

13-18 Sec. 463.303. NOTICE OF HEARING. (a) Notice of the time  
 13-19 and place of the public hearings on the creation of the authority  
 13-20 shall be published, beginning at least 30 days before the date of  
 13-21 the hearing, once a week for two consecutive weeks in a newspaper of  
 13-22 general circulation in each county.

13-23 (b) The board of directors described by Section 463.301  
 13-24 shall give a copy of the notice to the Texas Department of  
 13-25 Transportation and the comptroller.

13-26 Sec. 463.304. CONDUCT OF HEARING. (a) The board of  
 13-27 directors described by Section 463.301 creating an authority shall  
 13-28 conduct public hearings on the creation.

13-29 (b) Any person may appear at a hearing and offer evidence  
 13-30 on:

13-31 (1) the creation of the authority;  
 13-32 (2) the operation of a public transportation system;  
 13-33 (3) the public utility and public interest served in  
 13-34 the creation of an authority; or  
 13-35 (4) other facts bearing on the creation of an  
 13-36 authority.

13-37 (c) A hearing may be continued until completed.

13-38 Sec. 463.305. RESOLUTION OR ORDER. (a) After hearing the  
 13-39 evidence presented at the hearings, but not earlier than 75 days  
 13-40 after the date the process is initiated by the board of directors  
 13-41 described by Section 463.301, the board may adopt a resolution or  
 13-42 order:

13-43 (1) designating the name of the authority; and  
 13-44 (2) authorizing the appointment of the interim  
 13-45 executive committee.

13-46 (b) After the hearing, the results of the hearing shall be  
 13-47 sent to the Texas Department of Transportation and the comptroller.

13-48 Sec. 463.306. INTERIM EXECUTIVE COMMITTEE. (a) The  
 13-49 interim executive committee is composed as provided by Section  
 13-50 463.251 for an executive committee except that the interim  
 13-51 executive committee must include an additional member who is a  
 13-52 member of the board of directors of a commuter rail district  
 13-53 described by Chapter 174.

13-54 (b) The interim executive committee, after its  
 13-55 organization, shall develop a service plan.

13-56 (c) Service on the interim executive committee by a public  
 13-57 officer or employee is an additional duty of the office or  
 13-58 employment.

13-59 Sec. 463.307. APPROVAL OF SERVICE PLAN. Not later than the  
 13-60 45th day after the date the interim executive committee approves  
 13-61 the service plan, the commissioners court of each county creating  
 13-62 an authority must approve, by resolution or order, the service  
 13-63 plan.

13-64 Sec. 463.308. NOTICE OF INTENT TO CALL ELECTION. After  
 13-65 approval is received under Section 463.307, but not earlier than  
 13-66 the 61st day after the date the interim executive committee  
 13-67 approves a service plan, the interim executive committee shall  
 13-68 notify the commissioners court of each county included in the  
 13-69 boundaries of the authority of the interim executive committee's

14-1 intention to call a confirmation election.

14-2 Sec. 463.309. CONFIRMATION ELECTION. The interim executive  
14-3 committee in calling the confirmation election shall submit to the  
14-4 qualified voters of each county in the authority the following  
14-5 proposition: "Shall the creation of (name of authority) be  
14-6 confirmed?"

14-7 Sec. 463.310. CONDUCT OF ELECTION. The interim executive  
14-8 committee shall canvass the returns and declare the results of the  
14-9 election separately with respect to each county.

14-10 Sec. 463.311. RESULTS OF ELECTION; ORDER. (a) The  
14-11 authority is confirmed if a majority of the votes received in each  
14-12 county favor the proposition.

14-13 (b) If the authority continues, the interim executive  
14-14 committee shall record the results in its minutes and adopt an  
14-15 order:

14-16 (1) declaring that the creation of the authority is  
14-17 confirmed;

14-18 (2) stating the date of the election;

14-19 (3) containing the proposition; and

14-20 (4) showing the number of votes cast for or against the  
14-21 proposition in each county.

14-22 (c) A certified copy of the order shall be filed with the  
14-23 Texas Department of Transportation and the comptroller.

14-24 (d) If the authority does not continue, the interim  
14-25 executive committee shall enter an order declaring that the result  
14-26 of votes cast at the election is that the authority ceases in its  
14-27 entirety. The order shall be filed with the Texas Department of  
14-28 Transportation and the comptroller, and the authority is dissolved.

14-29 Sec. 463.312. EFFECT OF CREATION ON COMMUTER RAIL DISTRICT.  
14-30 On the creation of an authority the boundaries of which overlap the  
14-31 territory of a commuter rail district described by Chapter 174, the  
14-32 commuter rail district is dissolved, and all assets, including  
14-33 property, and all liabilities, including debt and other  
14-34 obligations, of the commuter rail district transfer to and are  
14-35 assumed by the authority.

14-36 Sec. 463.313. COST OF ELECTION. The board of directors  
14-37 described by Section 463.301 creating an authority shall pay the  
14-38 cost of the confirmation election.

14-39 Sec. 463.314. EXPIRATION OF UNCONFIRMED AUTHORITY. An  
14-40 authority that has not been confirmed expires on the third  
14-41 anniversary of the effective date of a resolution or order  
14-42 initiating the process to create the authority.

14-43 SECTION 2. Section 174.051, Transportation Code, is amended  
14-44 by adding Subsection (c) to read as follows:

14-45 (c) Notwithstanding Subsections (a) and (b), a district may  
14-46 not be created in the boundaries of a regional transit authority  
14-47 under Chapter 463.

14-48 SECTION 3. Sections 463.058(c) and (g) and Section 463.059,  
14-49 Transportation Code, as added by this Act, take effect only if this  
14-50 Act receives a two-thirds vote of all the members elected to each  
14-51 house.

14-52 SECTION 4. This Act takes effect immediately if it receives  
14-53 a vote of two-thirds of all the members elected to each house, as  
14-54 provided by Section 39, Article III, Texas Constitution. If this  
14-55 Act does not receive the vote necessary for immediate effect, this  
14-56 Act takes effect September 1, 2019.

14-57 \* \* \* \* \*