TRANSPORTATION CODE

TITLE 6. ROADWAYS

SUBTITLE K. MASS TRANSPORTATION

CHAPTER 452. REGIONAL TRANSPORTATION AUTHORITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 452.001. DEFINITIONS. In this chapter:

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

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

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

(2) "Complementary transportation services" includes:

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

(B) medical transportation services;

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

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

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

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

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

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

municipality.

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

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

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

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

(B) is constructed by an authority.

(7) "Metropolitan area" means a federal standard metropolitan statistical area having a population of more than 500,000, not more than 60 percent of which resides in municipalities having a population of more than 350,000.

(8) "Principal municipality" means a municipality having a population of at least 350,000.

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

(10) "Public transportation system" means:

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

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

(C) property held:

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

(ii) for public transportation or complementary transportation service purposes.

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

confirmed at an election.

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

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

(14) "Unit of election" means:

(A) a principal municipality;

(B) a designated unincorporated area created by the commissioners court of a county of a principal municipality; or

(C) any other municipality located in the territory of an authority.

(15) "Transportation disadvantaged" has the meaning assigned by Section 451.001.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 140, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1038, Sec. 4, eff. Sept. 1, 2001.

Sec. 452.002. DETERMINATION OF POPULATION. In this chapter, population of a municipality or area is determined by the most recent federal census unless there has been no federal census in the preceding five years, in which case the population is the latest population estimate of the appropriate metropolitan planning organization.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.003. MUNICIPALITIES MAY PROVIDE TRANSPORTATION SERVICES. This chapter does not prohibit a municipality from providing public or complementary transportation services.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.004. EXECUTIVE COMMITTEE OF AUTHORITY CONSISTING OF ONE SUBREGION. The executive committee of an authority that consists of one subregion, other than an authority created by a contiguous municipality, is the board for the subregion and the members of the executive committee are selected in the manner

prescribed for selection of the members of the board for that subregion.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER B. POWERS OF AUTHORITIES

Sec. 452.051. POWERS APPLICABLE TO CONFIRMED AUTHORITY. This subchapter applies only to an authority that has been confirmed.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.052. NATURE OF AUTHORITY. (a) An authority:

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

(2) has perpetual succession; and

(3) exercises public and essential governmental functions.

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.053. RESPONSIBILITY FOR CONTROL OF AUTHORITY. Except as provided by Section 452.104, the executive committee is responsible for the management, operation, and control of an authority and its property.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) An authority may sue and be sued. An authority may not be required to give security for costs in a suit brought or prosecuted by the authority and may not be required to give a

supersedeas or cost bond in an appeal of a judgment.

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

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

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

(d) A private operator who contracts with an authority under this chapter is not a public entity for purposes of any law of this state except that an independent contractor of the authority that, on or after June 14, 1989, performs a function of the authority or an entity described by Section 452.0561 that is created to provide transportation services is liable for damages only to the extent that the authority or entity would be liable if the authority or entity itself were performing the function and only for a cause of action that accrues on or after that date.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 85 (S.B. 1540), Sec. 4.10, eff. April 1, 2011.

Sec. 452.0561. LIABILITY OF TRANSPORTATION ENTITY PROVIDING PUBLIC TRANSPORTATION. (a) This section applies only to a transportation entity created under:

(1) Subtitle C or D of Title 5 or Chapter 172, 173, or 174; or

(2) former Title 112, Revised Statutes.

(b) A transportation entity created for the purpose of providing public transportation is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations

of the entity are essential governmental functions and not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

(c) An independent contractor of a transportation entity performing a function of the entity or an authority is liable for damages only to the extent that the entity or authority would be liable if the entity or authority itself were performing the function.

Added by Acts 2009, 81st Leg., R.S., Ch. 85 (S.B. 1540), Sec. 2.05, eff. April 1, 2011.

Sec. 452.057. ACQUISITION OF PROPERTY BY AGREEMENT. An authority may acquire rolling stock or other property under a contract or trust agreement, including a conditional sales contract, lease, and equipment trust certificate.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.058. USE AND ACQUISITION OF PROPERTY OF OTHERS. (a) For a purpose described by Section 452.056(a)(1) and as necessary or useful in the construction, repair, maintenance, or operation of the public transportation system, an authority may:

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

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

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

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

(1) in a municipality without the approval of each proposed acquisition by the governing body of the municipality or

in an unincorporated area without the approval of each proposed acquisition by the commissioners court of the county in which the property to be condemned is located; or

(2) in a manner that would:

(A) unduly impair the existing neighborhood character of property surrounding, or adjacent to, the property to be condemned;

(B) unduly interfere with interstate commerce; or

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

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

(e) Unless the power of eminent domain is exercised, an authority may not begin an activity authorized under Subsection (a) to alter or damage property of others, including this state or a political subdivision of this state, without having first received the written permission of the owner.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

(3) states that the acquisition is necessary and proper for the construction, extension, improvement, or

development of the public transportation system.

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(2) the establishment of through routes, joint fares, or transfers of passengers.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

(b) It is intended by this chapter that the compensation

imposed under Subsection (a) and taxes imposed by the authority not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.

(c) Compensation for the use of the public transportation system, including parking fees and passenger transportation fares, may be set according to a zone system or to another classification that the authority determines to be reasonable.

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

(e) Except as provided by Subsection (f), personal identifying information collected by an authority is confidential and not subject to disclosure under Chapter 552, Government Code, including a person's:

(1) name, address, e-mail address, and phone number;

(2) account number, password, payment transaction activity, toll or charge record, or credit, debit, or other payment card number;

(3) trip data, including the time, date, origin, and destination of a trip, and demographic information collected when the person purchases a ticket or schedules a trip; and

(4) other personal information, including financial information.

(f) Personal identifying information described by Subsection (e)(3) may be disclosed to a governmental agency or institution of higher education, as defined by Section 61.003, Education Code, by an authority if the requestor confirms in

writing that the use of the information will be strictly limited to use in research or in producing statistical reports, but only if the information is not published, redisclosed, sold, or used to contact any individual.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 48 (S.B. 405), Sec. 1, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 1129 (S.B. 57), Sec. 7, eff. June 19, 2015.

Acts 2021, 87th Leg., R.S., Ch. 155 (S.B. 858), Sec. 2, eff. May 28, 2021.

Sec. 452.0611. ENFORCEMENT OF FARES AND OTHER CHARGES; PENALTIES. (a) An executive committee by resolution may prohibit the use of the public transportation system by a person who fails to possess evidence showing that the appropriate fare for the use of the system has been paid and may establish reasonable and appropriate methods, using transit police officers or fare enforcement officers under Section 452.0612, to ensure that persons using the public transportation system pay the appropriate fare for that use.

(b) An executive committee by resolution may provide that a fare for or charge for the use of the public transportation system that is not paid incurs a penalty, not to exceed $100.

(c) The authority shall post signs designating each area in which a person is prohibited from using the transportation system without possession of evidence showing that the appropriate fare has been paid.

(d) A person commits an offense if:

(1) the person or another for whom the person is criminally responsible under Section 7.02, Penal Code, uses the public transportation system and does not possess evidence showing that the appropriate fare has been paid; and

(2) the person fails to pay the appropriate fare or other charge for the use of the public transportation system and any penalty on the fare on or before the 30th day after the date the

authority notifies the person that the person is required to pay the amount of the fare or charge and the penalty.

(e) The notice required by Subsection (d)(2) may be included in a citation issued to the person by a peace officer under Article 14.06, Code of Criminal Procedure, or by a fare enforcement officer under Section 452.0612, in connection with an offense relating to the nonpayment of the appropriate fare or charge for the use of the public transportation system.

(f) An offense under Subsection (d) is a Class C misdemeanor.

(g) An offense under Subsection (d) is not a crime of moral turpitude.

Added by Acts 2003, 78th Leg., ch. 1113, Sec. 1, eff. Sept. 1, 2003.

Sec. 452.0612. FARE ENFORCEMENT OFFICERS. (a) The authority may employ persons to serve as fare enforcement officers to enforce the payment of fares for use of the public transportation system by:

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

(2) issuing a citation to a person described by Section 452.0611(d)(1).

(b) Before commencing duties as a fare enforcement officer a person must complete a 40-hour training course approved by the authority that is appropriate to the duties required of a fare enforcement officer.

(c) While performing duties, a fare enforcement officer shall:

(1) wear a distinctive uniform that identifies the officer as a fare enforcement officer; and

(2) work under the direction of the chief of police of the authority.

(d) A fare enforcement officer may:

(1) request evidence showing payment of the appropriate fare from passengers of the public transportation system;

(2) request personal identification from a passenger who does not produce evidence showing payment of the appropriate fare on request by the officer;

(3) request that a passenger leave the public transportation system if the passenger does not possess evidence of payment of the appropriate fare; and

(4) file a complaint in the appropriate court that charges the person with an offense under Section 452.0611(d).

(e) A fare enforcement officer may not carry a weapon while performing duties under this section.

(f) A fare enforcement officer is not a peace officer and has no authority to enforce a criminal law, other than the authority possessed by any other person who is not a peace officer.

Added by Acts 2003, 78th Leg., ch. 1113, Sec. 1, eff. Sept. 1, 2003.

Sec. 452.0613. ENFORCEMENT OF HIGH OCCUPANCY VEHICLE LANE USAGE; PENALTIES. (a) An executive committee by resolution may regulate or prohibit improper entrance into, exit from, and vehicle occupancy in high occupancy vehicle lanes operated, managed, or maintained by the authority.

(b) An executive committee by resolution may establish reasonable and appropriate methods to enforce regulations or prohibitions established under Subsection (a).

(c) An executive committee by resolution may provide that violations regarding improper entrance into, exit from, or vehicle occupancy in high occupancy vehicle lanes operated, managed, or maintained by the authority incur a penalty, not to exceed $100.

(d) A person commits an offense if the person fails to pay any designated penalty on or before the 30th day after the date the authority notifies the person that the person is required to pay a penalty for:

(1) exiting or entering a high occupancy vehicle lane operated, managed, or maintained by an authority at a location not designated for exit or entrance; or

(2) operating a vehicle in or entering a high occupancy vehicle lane operated, managed, or maintained by an authority with fewer than the required number of occupants.

(e) The notice required by Subsection (d) may be included in a citation issued to the person by a peace officer under Article 14.06, Code of Criminal Procedure, in connection with an offense relating to improper use of a high occupancy vehicle lane.

(f) An offense under Subsection (d) is a Class C misdemeanor.

Added by Acts 2011, 82nd Leg., R.S., Ch. 644 (S.B. 990), Sec. 1, eff. September 1, 2011.

Sec. 452.062. INSURANCE. (a) An authority may insure, through purchased insurance policies or self-insurance programs, or both, the legal liability of the authority and of its contractors and subcontractors arising from the acquisition, construction, or operation of the programs and facilities of the authority for:

(1) personal or property damage; and

(2) officers' and employees' liability.

(b) An authority may use contracts, rating plans, and risk management programs designed to encourage collision prevention.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 709 (H.B. 2190), Sec. 12, eff. September 1, 2023.

Sec. 452.063. TAX EXEMPTION. The property, revenue, and income of an authority are exempt from state and local taxes.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.065. ELECTRIC POWER FOR RAIL SYSTEM: CERTAIN AUTHORITIES. (a) An authority in which the public transportation system includes or is to include passenger rail service propelled by electric power and in which all or a part of the service area is served by the electric power distribution systems of more than one electric utility company or municipally owned electric utility system may:

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.066. ELECTIONS. (a) In an election ordered by the

executive committee:

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER C. MANAGEMENT OF AUTHORITY

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

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

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

(3) adopt a seal for the authority;

(4) set the fiscal year for the authority;

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

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

(A) invest authority funds; and

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

(7) designate by resolution an authorized

representative of the authority to supervise the substitution of securities pledged to secure authority funds.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(2) an obligation that:

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

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

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

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

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

(B) are executed with a bank or trust company organized under the laws of this state, any national banking association, or any government bond dealer reporting to and recognized as a primary dealer by the Federal Reserve Bank of New York;

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

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

principal amount of the certificate;

(6) commercial paper rated "A1" or "P1" by a nationally recognized rating firm;

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

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

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

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

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

(c) In addition to the other investments authorized by this section, the executive committee may invest authority funds in any investment authorized for an entity under Chapter 2256, Government Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1028, Sec. 1, eff. June 19, 1997.

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

of an authority.

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

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

(2) remove any employee.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.1055. PROHIBITION OF CONSUMPTION OF ALCOHOLIC BEVERAGE. (a) A board by resolution may prohibit the consumption of an alcoholic beverage on property an authority possesses or

controls. The resolution must describe with particularity each place where consumption of an alcoholic beverage is prohibited.

(b) The authority shall post a sign in each place where consumption of an alcoholic beverage is prohibited under this section. The sign must indicate that a person may not consume an alcoholic beverage in that place.

(c) A person commits an offense if the person consumes an alcoholic beverage in a place where the consumption of an alcoholic beverage is prohibited under this section.

(d) An offense under this section is a Class C misdemeanor.

(e) In this section, "alcoholic beverage" has the meaning assigned by Section 1.04, Alcoholic Beverage Code.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.29(a), eff. Sept. 1, 1997.

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

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

(2) covering:

(A) the appointment of contracting officers;

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

(C) the resolution of protests and contract disputes;

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

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

(b) Sections 452.107 and 452.108(a) and (b) and the procedures, guidelines, or rules adopted under this section confer no rights on an actual or potential bidder, offeror, contractor, or other person except as expressly stated in the procedures, guidelines, or rules.

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 63, Sec. 1, eff. Sept. 1, 2003.

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

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

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

(1) the aggregate amount involved in the contract is $50,000 or less;

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

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

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

(5) the contract is for personal or professional services or services for which competitive bidding is precluded by law; or

(6) the contract, without regard to form and which may include bonds, notes, loan agreements, or other obligations, is for

the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including:

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1479, Sec. 3, eff. June 19, 1999; Acts 2001, 77th Leg., ch. 1091, Sec. 4.05, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 63, Sec. 2, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 794 (H.B. 2223), Sec. 1, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 801 (H.B. 2325), Sec. 3, eff. September 1, 2011.

Sec. 452.108. DURATION OF CONTRACTS AND DELEGATION OF POWERS. (a) An authority may contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by any method, including:

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

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

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

(c) Except as provided by Subsection (d), an authority consisting of one subregion governed by a subregional board created

under Subchapter O may not enter a lease or financing agreement secured wholly or partially by the assets of the authority if the duration of the lease or financing agreement is longer than five years unless the lease or agreement is approved by the voters of the authority in the manner provided for the issuance of bonds and notes under Subchapter H.

(d) To provide tax benefits to another party that are available with respect to property under the laws of a foreign country or to encourage private investment with a transportation authority in the United States, and notwithstanding any other provision of this chapter, an authority consisting of one subregion governed by a subregional board created under Subchapter O may enter into and execute, as it considers appropriate, contracts, agreements, notes, security agreements, conveyances, bills of sale, deeds, leases as lessee or lessor, and currency hedges, swap transactions, or agreements relating to foreign and domestic currency. The agreements or instruments may have the terms, maturities, duration, provisions as to governing law, indemnities, and other provisions that are approved by the subregional board. In connection with any transaction authorized by this subsection, the authority may deposit in trust, escrow, or similar arrangement cash or lawful investments securities, or may enter into one or more payment agreements, financial guarantees, or insurance contracts with counterparties having either a corporate credit or debt rating in any form, a claims-paying ability, or a rating for financial strength of "AA" or better by Moody's Investors Service, Inc. or by Standard & Poor's Corporation or of "A (Class XII)" or better by Best's rating system, that by their terms, including interest to be earned on the cash or securities, or payment obligations, are sufficient in amount to pay when due all amounts required to be paid by the authority as rent over the full term of the transaction plus any optional purchase price or other obligation due under the transaction.

(e) Property sold, acquired, or otherwise transferred under Subsection (d) is considered for all purposes to be property owned and held by the authority and used for public purposes. The property is exempt from ad valorem taxes imposed in this state. A

leasehold interest in the property is exempt from Section 25.07(a), Tax Code. A sale, lease, sublease, or other transfer of personal property by or to the authority under Subsection (d) is exempt from all sales, use, and motor vehicle taxes imposed by this state or a political subdivision of this state.

(f) Subsection (c) does not apply to a lease or financing agreement that is payable from or secured by a pledge of funds described by Section 452.357(a)(4).

(g) Subsection (c) does not apply to a multiyear commodity or utility service purchase arrangement or agreement.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1028, Sec. 2, eff. June 19, 1997; Acts 1999, 76th Leg., ch. 1284, Sec. 2, eff. Aug. 30, 1999; Acts 2001, 77th Leg., ch. 509, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 792 (H.B. 2195), Sec. 1, eff. June 17, 2011.

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

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

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

(b) The documentation required by Subsection (a) must include all of the reasons for not selecting, as appropriate, the person proposing to deliver the services at the lowest cost or the person recommended by the staff.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.1095. EXEMPTION FROM OTHER CONTRACTING LAW FOR CERTAIN AUTHORITIES. (a) Chapter 2269, Government Code, does not apply to an authority consisting of one subregion governed by a

subregional board created under Subchapter O.

(b) An authority to which this section applies may adopt design-build procedures that do not materially conflict with Subchapter H, Chapter 2269, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 3.07, eff. September 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.002(35), eff. September 1, 2013.

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

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

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

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

(e) A law enforcement power granted under this section is subordinate to the law enforcement power of a municipality in which the power is attempted to be exercised.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.111. EXTRAORDINARY VOTE REQUIRED IN CERTAIN AUTHORITIES. A subregional board created under Subchapter O that governs an authority consisting of one subregion may not, except by a two-thirds vote of the board:

(1) issue any debt allowed by law;

(2) enter a lease as lessee or financing agreement as obligor if the lease or agreement is secured by the other assets of

the authority;

(3) effect a major change as described by Section 452.303 in a service plan;

(4) approve the financial plan for the authority; or

(5) enter an agreement under Section 452.055(c).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.112. ADVISORY COMMITTEES IN CERTAIN AUTHORITIES. (a) A subregional board created under Subchapter O that governs an authority consisting of one subregion may appoint one or more committees for any purpose for which a vote of the board is not required.

(b) A committee may consist of members of the subregional board and members of the general public, but the number of public members on a committee may not exceed the number of members of the subregional board on the committee.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.113. BUDGET RECOMMENDATIONS. The executive committee shall:

(1) receive recommendations for the annual budget from each subregional board;

(2) obtain approval from each subregional board of the final annual budget as it pertains to that board's subregion; and

(3) make the proposed annual budget available to the governing bodies of each municipality in the authority at least 30 days before the date of the adoption of the final annual budget.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.114. BUDGET IN AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY. (a) The executive committee of an authority created by a contiguous municipality shall, not later than the 60th day before the beginning of the authority's fiscal year, deliver to the governing body of the contiguous municipality a proposed budget for the authority's fiscal year.

(b) The budget for the authority is not effective until the budget is approved by the governing body of the contiguous

municipality. An approved budget is the budget for the authority for the fiscal year, and each change in the budget must be approved by the governing body of the contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) any fare change;

(2) a service change involving:

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

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

(3) the establishment of a new transit route.

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

(c) In this section:

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

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

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

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

(d) The length of a transit route is the distance traversed

in traveling completely over the route and returning to the starting point to begin another circuit of the route. If a route is defined in one direction only, the one-directional distance is the route length.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) a reduced or free promotional fare that is instituted daily or periodically within 180 days;

(2) a headway adjustment of not more than five minutes during peak-hour service and not more than 15 minutes during non-peak-hour service;

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

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

(b) In this section, "experimental service change" means an addition of service to an existing transit route or the establishment of a new transit route.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.118. NOTICE OF HEARING ON FARE OR SERVICE CHANGE IN

CERTAIN AUTHORITIES. (a) The subregional board shall call a public hearing required by Section 452.115 and:

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

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

(b) The notice must contain:

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

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

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

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

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

(2) the proposed fare or service change is addressed at the meeting.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER D. STATION OR TERMINAL COMPLEX SYSTEMS

Sec. 452.151. STATION OR TERMINAL COMPLEX: SYSTEM PLAN. (a) An authority may not acquire an interest in real property for a station or terminal complex unless the station or terminal complex is included in the public transportation system in a comprehensive service plan approved by a resolution of the executive committee. A mass transit facility of an authority is not a station or terminal complex under this subchapter unless the facility is included in the authority's comprehensive service plan under this section.

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

(1) will encourage and provide for efficient and

economical public transportation;

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.152. STATION OR TERMINAL COMPLEX: FACILITIES. A station or terminal complex of an authority:

(1) must include adequate provision for the transfer of passengers among the various means of transportation available to the complex; and

(2) may include provision for residential, institutional, recreational, commercial, and industrial facilities.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.153. APPROVAL OF MUNICIPALITY. The location of a station or terminal complex in a municipality or in the extraterritorial jurisdiction of a municipality must be approved, as to conformity with the comprehensive or general plan of the municipality, by a motion, resolution, or ordinance adopted by the governing body of the municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) Before the commencement of an eminent domain proceeding to acquire an interest in real property for a station or terminal

complex facility, the executive committee shall designate the center point of the station or terminal complex.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

(c) A person from whom property offered for sale under this section was acquired by eminent domain or the threat of eminent domain has a first right to purchase the property at the price for which the property is offered to the public.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER E. SPECIAL PROGRAMS AND SERVICES

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

(b) An overall minority and women-owned business enterprise contract percentage goal may be established as a part of the program only after reasonable consultation with affected organizations and

a qualified independent source and after public comment. In establishing a goal, the authority shall consider the various types of construction contracts the authority expects to award and the effect of market conditions on the feasibility of attaining the goals.

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

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

(e) In this section:

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

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

(1) the authority is required to provide

transportation services only to a location:

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

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

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

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

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

(c) An authority shall certify the amount of public funds spent by the authority under this section for the purpose of obtaining federal funds under the jobs opportunities and basic skills training program.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.203. WAIVER OF FEDERAL REQUIREMENTS. If, before implementing Section 452.202, the Texas Department of Human Services determines that a waiver or authorization from a federal agency is necessary for implementation, the Texas Department of Human Services shall request the waiver or authorization, and the department and an authority may delay implementing Section 452.202 until the waiver or authorization is granted.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER G. SERVICE PLANS

Sec. 452.301. IMPLEMENTATION OF SERVICE PLAN: CERTAIN AUTHORITIES. A subregional board created under Subchapter O that governs an authority consisting of one subregion shall implement the service plan as approved under Section 452.713 without change unless the change is made in the manner required by this subchapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.302. CHANGE IN SERVICE PLAN: GENERAL RULE. A service plan may be changed by a majority vote of the members of the subregional board described by Section 452.301 at a meeting at which a quorum of the board is present.
Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) change the location of a right-of-way of a fixed guideway system;

(2) change or add a width of a right-of-way of a fixed guideway system;

(3) change a grade separation or add a grade separation to a fixed guideway system;

(4) move the location of a station of a fixed guideway system;

(5) reclassify the aerial, at-grade, or subgrade vertical alignment of a fixed guideway or establish the vertical alignment of a fixed guideway;

(6) move the location of:

(A) a parking lot;

(B) a maintenance facility; or

(C) an off-street transfer center;

(7) add a facility listed in Subdivisions (1)-(6); or

(8) add a route for a fixed guideway system.

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

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

(2) the governing body of each municipality and the commissioners court of each county in which the changed or

additional right-of-way or facility is to be located.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.304. ADOPTION OF MAJOR SERVICE PLAN CHANGE. (a) After a public hearing, the subregional board described by Section 452.301 may approve a change described by Section 452.303(a) in the service plan by a favorable vote of two-thirds of the members present.

(b) If the change in the plan includes the addition of a fixed guideway route, including a route to be added under an agreement under Section 452.060, the governing body of each municipality through which the route would pass must approve the route before the subregional board may add the route to the service plan.

(c) The subregional board shall give notice of a change in the service plan adopted under this section to:

(1) the commissioners court of each county in which the changed or additional right-of-way or facility is to be located if the change is located in an unincorporated area; and

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER H. BONDS

Sec. 452.351. DEFINITION. In this subchapter, "bond"

includes a note.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

(c) A subregional authority created by a contiguous municipality may not issue a document of indebtedness, including a bond, unless the document is approved by the governing body of the contiguous city.

(d) Subsection (b) does not apply to:

(1) refunding bonds;

(2) bonds described by Subsection (a)(2); or

(3) commercial paper notes having maturities of 270 days or less that are authorized to be issued and reissued from time to time under a commercial paper program in a maximum principal amount that the chief financial officer certifies, based on reasonable estimates of pledged sales and use tax revenue, can be repaid in full within five years after the date of authorization of the commercial paper program, taking into consideration any other bonds or notes having a prior or parity lien on the pledged revenue, regardless of the final date of the commercial paper program.

(e) A commercial paper program described by Subsection (d)(3) may not be continued beyond five years unless, before issuing any note with a maturity exceeding five years from the date of the initial authorization of the program or five years from the date of any new certification, the chief financial officer provides

a new certification that the maximum principal amount of the program, based on reasonable estimates of pledged sales and use tax revenue, can be repaid in full within five years after the date of the most recent new certification, taking into consideration any other bonds or notes having a prior or parity lien on the pledged revenue.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 54 (S.B. 1375), Sec. 1, eff. September 1, 2007.

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

(b) A revenue bond indenture may limit a power of the authority provided by Section 452.052, 452.054, 452.055(a), (b), or (c), 452.056(a) or (b), 452.057, 452.058, 452.059, 452.060, 452.061(a), (b), (d), or 452.062, as long as the bonds issued under the indenture are outstanding.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.354. SALE. An authority's bonds may be sold at a public or private sale as determined by the executive committee to be the more advantageous.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(c) After the bonds are approved by the attorney general,

the comptroller shall register the bonds.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) approved by the attorney general;

(2) registered by the comptroller; and

(3) sold and delivered to the purchaser.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

(4) pledge all or part of funds the federal government has committed to the authority as grants in aid; and

(5) provide that a pledge of revenue described by Subdivision (1) or (2) is a first lien or charge against that revenue.

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

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

(d) An authority is not prohibited by this subchapter from encumbering one or more public transportation systems to purchase, construct, extend, or repair one or more other public transportation systems of the authority.

(e) The authority may pledge funds described by Subsection (a)(4):

(1) as the sole security for the bonds; or

(2) in addition to any other security described by this section.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 509, Sec. 2, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 47 (S.B. 293), Sec. 1, eff. May 19, 2009.

Sec. 452.358. USE OF REVENUE. Revenue in excess of amounts pledged under Section 452.357(a)(1) or (2) shall be used to:

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

(2) fund operating reserves.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 47 (S.B. 293), Sec. 2, eff. May 19, 2009.

Sec. 452.359. REFUNDING BONDS. An authority may issue refunding bonds for the purposes and in the manner authorized by general law, including Chapter 1207, Government Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.396, eff. Sept. 1, 2001.

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

(1) a bank;

(2) a savings bank;

(3) a trust company;

(4) a savings and loan association; and

(5) an insurance company.

(b) The bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face value or market value, are eligible to secure the deposit of public

funds of this state, a political subdivision of this state, and any other political corporation of this state.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

(d) If the proposition is approved, the authority may issue bonds in an amount not exceeding the amount approved.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.363. ALTERNATE ELECTION PROCEDURES FOR CERTAIN AUTHORITIES. (a) The executive committee of an authority in which more than one municipality is holding an election under Section 452.362 may provide for a proposition, ballot, and election order under this section if the committee finds that:

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

(2) financing through the issuance of bonds is the

best available method to provide transportation services at the earliest practicable date for the residents of its service area, including all municipalities; and

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

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

"PROPOSITION

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

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

"The pledge by (insert name of authority) of its _____ cent (insert amount) sales and use tax revenues to the payment of bonds or notes in order to provide transportation services for the residents of the cities of (list cities included in service area)."

(d) The election order may contain additional information about the authority's plans and programs, such as:

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

(2) the estimates of costs of the public transportation system to be provided, and the estimates of the amount of long-term bonds expected to be issued under the voted proposition that will be needed, considering other estimated sources of payment such as fares and other revenues, short-term

borrowing, vendor-supplied financing, and revenue bonds, other than those secured by sales and use tax revenues, to pay the costs; and

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.364. TAX EXEMPTION. The interest on bonds issued by an authority is exempt from state and local taxes.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER I. TAXATION

Sec. 452.401. SALES AND USE TAX. (a) The executive committee may impose for an authority a sales and use tax at the rate of:

(1) one-quarter of one percent;

(2) one-half of one percent;

(3) three-quarters of one percent; or

(4) one percent.

(b) The imposition of an authority's sales and use tax must be approved at an election under this chapter and may not be imposed in a unit of election that has not confirmed the authority. The tax rate in an authority created by a contiguous municipality must be approved by the governing body of the contiguous municipality.

(c) Chapter 322, Tax Code, applies to an authority's sales

and use tax.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.402. RATE INCREASE: SALES AND USE TAX. The executive committee may not increase the tax rate to a rate higher than the rate approved by the voters at the confirmation election without first receiving a majority vote in favor of the increase at an authority-wide election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.405. RATE DECREASE: SALES AND USE TAX. (a) The executive committee by order may direct the comptroller to collect the authority's sales and use tax at a rate that is lower than the rate approved by the voters at the confirmation election.

(b) The executive committee must file a certified copy of the order with the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.406. DIFFERENT SUBREGIONAL SALES AND USE TAX RATES. (a) The executive committee by order may direct the comptroller to collect the authority's sales and use tax at different rates in different subregions of the authority, but a rate may not be higher than the maximum rate approved by the voters.

(b) The executive committee must file a certified copy of the order and a map of the boundaries of the subregions with the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.407. PROPERTY TAXES. An authority may not impose an ad valorem property tax.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER J. FINANCIAL AND PERFORMANCE AUDITS

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

(b) The audit is open to public inspection.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) The state auditor may elect to file any comments about the audit with the legislative audit committee and the subregional board, subject to a risk assessment performed by the state auditor and to the legislative audit committee's approval of including the preparation of the comments in the audit plan under Section 321.013, Government Code.

(c) The state auditor may:

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

(2) audit the financial transactions of the authority if the state auditor determines an audit is necessary.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 785, Sec. 70, eff. Sept. 1, 2003.

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

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

(1) evaluative information necessary for the performance of oversight functions by state and local officers; and

(2) information to the authority to assist in making changes for the improvement of the efficiency and effectiveness of authority operations.

(c) Each audit must include an examination of:

(1) one or more of the following:

(A) the administration and management of the

authority;

(B) transit operations; or

(C) transit authority system maintenance;

(2) the authority's compliance with applicable state law, including this chapter; and

(3) the following performance indicators:

(A) subsidy per passenger, operating cost per revenue mile, and operating cost per revenue hour;

(B) sales and use tax receipts per passenger;

(C) fare recovery rate;

(D) number of passengers per hour;

(E) on-time performance;

(F) number of collisions per 100,000 miles; and

(G) number of miles between mechanical service calls.

(d) A subject described under Subsection (c)(1) must be examined at least once in every third audit.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 118 (S.B. 1077), Sec. 1, eff. May 17, 2007.

Acts 2023, 88th Leg., R.S., Ch. 709 (H.B. 2190), Sec. 13, eff. September 1, 2023.

Sec. 452.455. COMPUTATION OF PERFORMANCE INDICATORS. (a) This section applies to an authority required under Section 452.454 to contract for a performance audit.

(b) An authority's operating cost per passenger is computed by dividing the authority's annual operating cost by the passenger trips for the same period.

(c) The sales and use tax receipts per passenger are computed by dividing the annual receipts from authority sales and use taxes by passenger trips for the same period.

(c-1) The subsidy per passenger is computed by subtracting annual operating revenues from annual operating costs and dividing that amount by the total number of passengers for the same period.

(d) The operating cost per revenue hour is computed by

dividing the annual operating cost by the total of scheduled hours that authority revenue vehicles are in revenue service for the same period.

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

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

(g) The number of passengers per hour is computed by dividing the total number of annual passengers by the total number of revenue vehicle hours for the same period.

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

(i) The number of collisions per 100,000 miles is computed by multiplying the annual number of collisions by 100,000 and dividing the product by the number of miles for all service, including charter and nonrevenue service for the same period. In this subsection, "collision" includes:

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

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

(j) The number of miles between mechanical service calls is computed by dividing the annual number of miles for all service, including charter service and nonrevenue service, by the number of mechanical service calls for the same period. In this subsection,

"mechanical service call" means an interruption in revenue service that is caused by revenue vehicle equipment failure that requires assistance from a person other than the vehicle operator before the vehicle can be operated normally.

(k) In this section:

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

(A) depreciation, amortization, and capitalized charges;

(B) charter bus operations; and

(C) coordination of carpool and vanpool activities.

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

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

(4) "Revenue vehicle" means a vehicle, or a combination of rail vehicles comprising a train, that is:

(A) used to carry paying passengers; and

(B) operated by an authority or as a purchased service.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 118 (S.B. 1077), Sec. 2, eff. May 17, 2007.

Acts 2007, 80th Leg., R.S., Ch. 118 (S.B. 1077), Sec. 3, eff. May 17, 2007.

Acts 2023, 88th Leg., R.S., Ch. 709 (H.B. 2190), Sec. 14, eff. September 1, 2023.

Sec. 452.456. PERFORMANCE AUDIT RESPONSE; HEARING. (a) An authority for which a performance audit is conducted under Section 452.454 shall prepare a written response to the performance audit

report. The response must include each proposal for action relating to recommendations included in the report, whether the proposal for action is pending, adopted, or rejected.

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

(c) The authority shall conduct a public hearing on each performance audit report and the authority's response under Subsection (a). The authority shall give notice of the hearing by publication of the notice in a newspaper of general circulation in the area included in the authority at least 14 days before the date of the hearing.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives;

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

(5) the state auditor;

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

(7) the presiding officer of the governing body of each municipality having territory in the authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER K. PROVISIONS GENERALLY APPLICABLE TO EXECUTIVE COMMITTEES

Sec. 452.501. APPLICABILITY OF SUBCHAPTER. This subchapter does not apply to the executive committee of an authority created by

a contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(1) seven members from the membership of the subregional board in the subregion that has a principal municipality with a population of more than 1.1 million according to the most recent federal decennial census; and

(2) four members from the membership of the subregional board in the subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census.

(b) The subregional boards shall select their representatives to the executive committee from their membership by a vote of the members.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 3, eff. September 1, 2015.

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

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

(c) A vacancy on the executive committee is filled in the same manner as the original appointment.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.504. OFFICERS. (a) The members of the executive committee shall elect from among its membership a presiding officer, assistant presiding officer, and secretary.

(b) The executive committee may appoint, as necessary,

members or nonmembers as assistant secretaries.

(c) The secretary or assistant secretary shall:

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

(2) perform other duties assigned by the executive committee.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.505. CONFLICTS OF INTEREST. Members of the executive committee and officers of the authority are subject to Chapter 171, Local Government Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(c) The executive committee by resolution shall:

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

(2) adopt rules and bylaws as necessary to conduct meetings.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) An action of the executive committee requires a vote of a majority of the members present unless the bylaws require a larger number for a particular action.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER L. EXECUTIVE COMMITTEE OF AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY

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

contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) Each member is appointed by the governing body of the contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.523. MEMBERSHIP TERMS; VACANCIES. (a) Each member of the executive committee serves a term of two years except the initial terms of two members are for one year. The subsequent terms are staggered.

(b) A vacancy on the committee may be filled by appointment of the governing body of the contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(c) The secretary or assistant secretary shall:

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

(2) perform other duties assigned by the executive committee.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.525. REMOVAL OF MEMBERS. The governing body of the contiguous municipality may remove a member of the executive committee at any time for, or without, cause.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.526. CONFLICTS OF INTEREST. A member of the executive committee or an officer of the subregional authority may

not have a pecuniary interest or receive a direct or indirect benefit in any agreement to which the authority is a party.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(c) The executive committee by resolution shall:

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

(2) adopt rules and bylaws as necessary to conduct meetings.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) An action of the executive committee requires a vote of a majority of the members present unless the bylaws require a larger number for a particular action.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER M. PROVISIONS GENERALLY APPLICABLE TO SUBREGIONAL BOARDS

Sec. 452.541. BOARD MEMBERSHIP: RESIDENCY IN AUTHORITY. (a) Except as provided by Subsection (b), a member of a subregional board must be a qualified voter residing in the authority.

(b) An individual who does not reside in the authority may be appointed to the board under Section 452.562(c)(1) if the individual is a qualified voter of and resides in a municipality that:

(1) has entered into a contract with the authority to receive services; and

(2) has adopted a sales tax to participate in the

funding of a transportation project being planned, developed, or operated by the authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 360 (H.B. 2536), Sec. 1, eff. June 14, 2013.

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

(b) Each September each appointment must be reaffirmed.

(c) A vacancy on a subregional board is filled in the same manner as the original appointment.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(c) The secretary or assistant secretary shall:

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

(2) perform other duties assigned by the board.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.545. DUTIES. A subregional board shall:

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

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

(A) the overall budget; and

(B) the operation of services provided by the

authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.546. BOARD MEETINGS. (a) A subregional board, by resolution, shall:

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

(2) adopt rules and bylaws as necessary to conduct meetings.

(b) A special meeting must be called by written notice of the presiding officer or assistant presiding officer.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(2) $50 for each meeting of the executive committee or subregional board attended.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION

Sec. 452.561. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 5, eff. September 1, 2015.

Sec. 452.562. BOARD MEMBERSHIP; APPOINTMENTS. (a) A subregional board is composed of 11 members.

(b) If the entire county of the principal municipality is included in the authority, the subregional board consists of:

(1) five members appointed by the governing body of the principal municipality;

(2) five members appointed by the commissioners court of the county of the principal municipality; and

(3) one member appointed by the governing body of a municipality that is in the authority and has a population of more than 100,000.

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

(1) the commissioners court of the county of the principal municipality shall appoint at least three members to represent:

(A) the unincorporated areas and municipalities in the county that are not otherwise represented on the subregional board; and

(B) the municipalities that have entered into a contract with the authority to receive services; and

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

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

(e) Units of election that are entitled to one or more members are to have the number of members rounded to the nearest whole number to determine actual apportionment.

(f) The principal municipality shall make its appointments to the board so that at least one of the appointees is designated to represent the interests of the transportation disadvantaged.

(g) An elected officer of the state or a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the board is eligible, as an additional duty of office, to serve on the board. An elected officer who is a board member is not entitled to receive compensation for serving as a member but is entitled to

reimbursement for reasonable expenses incurred in performing duties as a member.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1038, Sec. 5, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 360 (H.B. 2536), Sec. 2, eff. June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 6, eff. September 1, 2015.

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

(b) An action of the board requires a majority vote of the members present.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION

Sec. 452.571. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has a principal municipality with a population of more than 1.1 million according to the most recent federal decennial census.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 8, eff. September 1, 2015.

Sec. 452.572. BOARD MEMBERSHIP; MUNICIPAL REPRESENTATION. (a) The subregional board is composed of 15 members appointed by the governing bodies of the municipalities in the subregional authority.

(b) The governing body of a municipality entitled to appoint more than one board member may appoint a number of members less than the number allocated to the municipality. Those appointed members may cast the same number of votes as the number of members allocated, but a member may not cast a divided vote.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.573. ALLOCATION OF MEMBERSHIP AMONG MUNICIPALITIES. (a) A governing body of a municipality in a subregion may make appointments to the subregional board in the same ratio as the population of the appointing municipality bears to the population of the subregion.

(b) A municipality the population of which entitles it to make a fraction of an appointment may combine that fraction with one or more other municipalities in the subregion to be entitled to make one appointment.

(c) Municipalities combining population under Subsection (b) must agree on the method of making the appointment.

(d) A municipality may not combine its population with another municipality for the purpose of minimizing the representation on the board of a racial or ethnic minority.

(e) A combination under Subsection (b) of two or more municipalities having insufficient population to receive an allocation of one membership must be made before the 61st day after the date for establishing or restructuring a board under Section 452.577.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) An elected officer of the state or a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the board is eligible, as an additional duty of office, to serve on the board. An elected officer who is a board member is not entitled to receive compensation for serving as a member but is entitled to reimbursement for reasonable expenses incurred in performing duties as a member.

(c) The principal municipality shall make its appointments to the board so that at least one of the appointees is designated to represent the interests of the transportation disadvantaged.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1038, Sec. 6, eff. Sept. 1, 2001.

Sec. 452.575. APPOINTMENTS TO REFLECT COMPOSITION OF MUNICIPALITY. The governing body of a municipality that makes more than one appointment shall, to the greatest extent practicable, select persons who accurately reflect the racial and ethnic composition of the municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) If the number of appointments to which a municipality would be entitled under Section 452.573 exceeds the limitation provided by Subsection (a), the excess is apportioned according to that section among the other municipalities in the subregion.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

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

(2) when a municipality or unincorporated area withdraws from or joins the authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.578. TERMS OF BOARD MEMBERS. (a) Each member of the subregional board serves a staggered term of two years. Eight of the terms begin on July 1 of odd-numbered years, and seven terms begin on July 1 of even-numbered years.

(b) The term of a member does not end because of a reapportionment under Section 452.577, and the board shall have a plan for filling vacancies after a reapportionment to ensure that

each municipality maintains the representation to which it is entitled.

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) An action of the subregional board requires a majority vote of the members present.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.580. CHANGE OF BUDGETING POLICY. A subregional board may adopt on a two-thirds vote of the board a budgeting policy for the authority that provides for the adoption and implementation of a budget that extends for two fiscal years, with annual reviews as needed.

Added by Acts 2001, 77th Leg., ch. 509, Sec. 3, eff. Sept. 1, 2001.

SUBCHAPTER P. ADDITION OF TERRITORY

Sec. 452.601. ADDITION OF TERRITORY BY MUNICIPAL ANNEXATION. (a) When a municipality that is part of an authority annexes territory that before the annexation is not part of the authority, the annexed territory becomes part of the authority.

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.602. ADDITION OF MUNICIPALITY BY ELECTION. (a) The territory of a municipality that is not part of an authority may be added to an authority if:

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

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

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

(b) The governing body of the municipality shall certify to the executive committee the result of an election in which the addition is approved.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.6025. ADDITION OF CERTAIN MUNICIPALITIES BY ELECTION. (a) In this section, "special sales and use tax" means a sales and use tax levied by a municipality that is in excess of one percent.

(b) This section applies only to a municipality that levies a special sales and use tax that, when combined with the authority's sales and use tax, would result in a sales and use tax rate of more than two percent in the territory of the municipality.

(c) A municipality that does not have territory that is part of an authority may be added to the territory of an authority on a date determined by the executive committee if:

(1) any part of the territory of the municipality is located in a county in which the authority has territory or in a county that is adjacent to a county in which the authority has territory;

(2) the executive committee states, by resolution, the authority's intention to provide transportation services in the territory of the municipality;

(3) the governing body of the municipality calls an election on the addition of the territory of the municipality to the territory of the authority; and

(4) a majority of the votes cast in the election favor the proposition.

(d) The election in a municipality to approve the addition of the territory of the municipality to the territory of the authority is to be treated for all purposes as an election to reduce the rate of the municipality's special sales and use tax, on the

effective date determined by the executive committee, to the highest rate that will not impair the imposition of the authority's sales and use tax.

(e) At any time after the date of the election approving the addition of the territory of the municipality to the territory of the authority, the executive committee and the governing body of the municipality may enter into an interlocal agreement that provides for the eventual admission of the territory of the municipality to the territory of the authority.

(f) Notwithstanding Section 452.607, a sales and use tax imposed by the authority takes effect in the territory of the municipality on the first day of the first calendar quarter that begins after the date the comptroller receives a certified copy of an order adopted by the executive committee adding the territory of the municipality, accompanied by a map of the authority clearly showing the territory added.

Added by Acts 2003, 78th Leg., ch. 915, Sec. 1, eff. June 20, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.74, eff. April 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 794 (S.B. 1461), Sec. 1, eff. June 14, 2013.

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

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

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

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

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

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

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

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

(b) After an election as provided by Section 452.715(a), a subregional board shall be appointed under Subchapter N or O, as applicable, and the executive committee existing before the additional subregional board is appointed shall be modified to conform with Subchapter K.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.605. JOINING AUTHORITY: CERTAIN AUTHORITIES. (a) A municipality with a population of at least 250,000 according to the most recent federal decennial census and located in a county that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census may join a separate authority by complying with this chapter.

(b) If a municipality described by Subsection (a) joins a separate authority and another separate authority is subsequently established in a county that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, any municipality in that county that has voted to participate with any authority created under this chapter may at the time of the creation of the new authority:

(1) remain in the authority that was created first;

(2) join the new authority in the county in which the municipality is located; or

(3) participate with both authorities.

(c) A municipality in which capital improvements have been made at its request by an authority must on its transfer to a different authority or participation with more than one authority continue to honor reimbursement obligations resulting from the

improvements.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 9, eff. September 1, 2015.

Sec. 452.606. EXECUTIVE COMMITTEE APPROVAL OF ANNEXATION: EFFECTIVE DATE. (a) The addition of territory approved under Section 452.602 or 452.603 does not take effect if, before the effective date of the addition under Subsection (b), the executive committee of the authority gives written notice to the governing body of the municipality or the commissioners court of the county that held the election that the addition would create a financial hardship on the authority because:

(1) the territory to be added is not contiguous to the territory of the existing authority; or

(2) the addition of the territory would impair the imposition of the sales and use tax authorized by this chapter.

(b) In the absence of a notice under Subsection (a), the addition of territory approved under Section 452.602 or 452.603 takes effect on the 31st day after the date of the election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.607. ADDED TERRITORY: EFFECTIVE DATE OF TAXES. (a) A sales and use tax imposed by an authority under Subchapter I, other than a tax imposed by an authority created by a contiguous municipality and except as provided by Section 452.403, takes effect in territory added to the authority under this subchapter on the first day of the first calendar quarter that begins after the date the comptroller receives:

(1) a certified copy of an order adding the territory or of an order canvassing the returns and declaring the result of the election; and

(2) a map of the authority showing clearly the territory added.

(b) The presiding officer of the executive committee shall send the order and map required under Subsection (a) to the

comptroller by certified or registered mail.

(c) The order must include the effective date of the tax.

(d) The comptroller may delay implementation of the sales and use tax in the added territory for one calendar quarter by notifying the presiding officer of the executive committee before the 11th day after the date on which the comptroller receives the order and map under this section that the comptroller requires more time. If implementation is delayed, the tax takes effect on the first day of the second calendar quarter that begins after the date on which the comptroller receives the order and map. This subsection does not apply to an authority created by a contiguous municipality.

(e) On the date of annexation of territory to a subregional authority created by a contiguous municipality, a tax imposed by the authority takes effect in the added territory.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER Q. WITHDRAWAL OF TERRITORY FROM AUTHORITY; DISSOLUTION

Sec. 452.651. WITHDRAWAL OF UNIT OF ELECTION. (a) The governing body of a unit of election may order an election to withdraw the unit from an authority. An election ordered under this subsection for a unit of election located in an authority consisting of one subregion governed by a subregional board created under Subchapter O may not be held if the governing body rescinds the order and notice of the election before the 45th day before election day. The governing body shall promptly give notice of the rescission in the same manner as the notice of election given under Section 452.655.

(b) On the determination by a governing body of a unit of election that a petition for withdrawal under this chapter is valid, the governing body shall order an election to withdraw the unit of election from the authority.

(c) An election to withdraw may not be ordered, and a petition for an election to withdraw may not be accepted for filing, more frequently than once during each period of 12 months preceding the anniversary of the date of the election confirming the

authority. If the unit of election is located in an authority consisting of one subregion governed by a subregional board created under Subchapter O, an election for withdrawal of the unit of election under this section may not be ordered, and a petition for withdrawal may not be accepted, more frequently than once during 1996 and during each sixth calendar year after that year.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.652. PETITION FOR WITHDRAWAL ELECTION. (a) At the request of a qualified voter of a unit of election in an authority, the municipal secretary or other clerk or administrator of the unit of election shall deliver to the voter, in the number requested, petition signature sheets for a petition to withdraw from the authority prepared by, numbered, and authenticated by the municipal secretary or other official. During the period that signatures on the petition may be obtained, the official shall authenticate and deliver additional petition signature sheets as requested by the voter. Only one petition for withdrawal may be in circulation at a time.

(b) Each sheet of a petition must have a heading in capital letters as follows:

"THIS PETITION IS TO REQUIRE AN ELECTION TO BE HELD IN (name of the unit of election) TO DISSOLVE (name of authority) IN (name of the unit of election) SUBJECT TO THE CONTINUED COLLECTION OF SALES TAXES FOR THE PERIOD REQUIRED BY LAW."

(c) In addition to the requirements of Section 277.002, Election Code, to be valid a petition must:

(1) be signed on authenticated petition sheets by not less than 20 percent, or not less than eight percent in a unit of election in an authority consisting of one subregion governed by a subregional board created under Subchapter O, of the number of registered voters of the unit of election as shown on the voter registration list of each county in which the unit of election is located;

(2) be filed with the secretary, clerk, or administrator of the unit of election not later than the 60th day

after the date that the first sheet of the petition was received under Subsection (a);

(3) contain signatures that are signed in ink or indelible pencil by the voter; and

(4) have affixed or printed on each sheet an affidavit that is executed before a notary public by the person who circulated the sheet and that is in the following form and substance:

(A) for a unit of election in an authority not described by Paragraph (B):

"STATE OF TEXAS

"COUNTY OF _____

"I, _____, affirm that I personally witnessed each signer affix his or her signature to this page of this petition for the dissolution of (name of authority) in the (name of unit of election). I affirm to the best of my knowledge and belief that each signature is the genuine signature of the person whose name is signed and that the date entered next to each signature is the date the signature was affixed to this page.

_____

"Sworn to and subscribed before me this the _____ day of ___, ____.

(SEAL)

_____

Notary Public, State of Texas"

(B) for a unit of election in an authority consisting of one subregion governed by a subregional board created under Subchapter O:

"STATE OF TEXAS

"COUNTY OF _____

"I, _____, affirm that I personally witnessed each signer affix his or her signature to this page of this petition for the dissolution of (name of authority) in the (name of unit of election). I affirm to the best of my knowledge and belief that each signature is the genuine signature of the person whose name is signed and that the date entered next to each signature is the date the signature was affixed to this page. I further affirm that I have verified that the signer is a registered voter and that the

voter registration number on the petition is correct.

_____

"Sworn to and subscribed before me this the _____ day of ___, _____.

(SEAL)

_____

Notary Public, State of Texas"

(d) Each sheet of the petition must be filed under Subsection (c)(2) at the same time as a single filing.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.653. REVIEW OF PETITION. (a) The secretary, clerk, or administrator of a unit of election in which a petition for withdrawal from an authority is filed shall examine the petition and file with the governing body of the unit a report stating whether the petition, in the opinion of the secretary, clerk, or administrator, is valid.

(b) On receipt of a petition and a report under Subsection (a), the governing body shall examine the petition to determine whether the petition is valid. The governing body may hold public hearings and conduct or order investigations as appropriate to make the determination. The governing body's determination is conclusive of the issues.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.654. INVALID PETITION. (a) The governing body of a unit of election that receives an invalid petition shall reject the petition.

(b) A petition that is rejected is void and the petition and each sheet of the rejected petition may not be used in connection with a subsequent petition.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.655. ELECTION. (a) Except as provided by Subsection (b), an election to withdraw from an authority ordered under this subchapter must be held on the first applicable uniform election date occurring after the expiration of 12 calendar months

after the date on which the governing body orders the election.

(b) A unit of election that is located in an authority consisting of one subregion governed by a subregional board created under Subchapter O shall hold the election on the applicable first uniform election date occurring after the expiration of 45 days after the date the governing body orders the election.

(c) The governing body shall give notice of the election to the executive committee of the authority, the Texas Department of Transportation, and the comptroller immediately on calling the election.

(d) At the election the ballot shall be printed to provide for voting for or against the proposition: "Shall the (name of authority) be continued in (name of unit of election)?"

(e) The election shall be held in the regular precincts and at the regular voting places.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.656. RESULT OF WITHDRAWAL ELECTION. (a) If a majority of the votes received on the measure in an election held under Section 452.655 favor the proposition, the authority continues in the unit of election.

(b) If less than a majority of the votes received on the measure in the election favor the proposition, the authority ceases in the unit of election on the day after the date of the canvass of the election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.657. EFFECT OF WITHDRAWAL. (a) On the effective date of a withdrawal from an authority:

(1) the authority shall cease providing transportation services in the withdrawn unit of election; and

(2) the financial obligations of the authority attributable to the withdrawn unit of election cease to accrue.

(b) Withdrawal from an authority does not affect the right of the authority to travel through the territory of the unit of election to provide service to a unit of election that is a part of the authority.

(c) In a unit of election that withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter O, title to all real estate in the unit of election, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, vests in the unit of election if the unit of election by resolution claims the real estate and improvements within 30 days after the effective date of the election.

(d) If the real estate and improvements are within 30 days after the effective date of the election determined by the authority to be necessary for the continuation of service to the remaining units of election, the authority may retain the use of the real estate and improvements for not longer than 15 years or the duration of the authority's remaining federal grant obligation for the facility, whichever is longer. If the authority retains the use, the authority is responsible for all operation and maintenance costs of the facility.

(e) In a unit of election with a population of less than 10,000 according to the most recent federal decennial census that withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter N, title to all real estate in the unit of election owned or partially owned by the authority, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, shall immediately vest in the authority, and the authority may continue to use the real estate and improvements in the withdrawn unit of election as may be determined by the authority to be necessary:

(1) for the continuation of service to other units of election;

(2) to satisfy the authority's remaining federal grant obligation for the real estate and improvements; or

(3) for the operation of a public transportation system as provided by Section 452.056(a).

(f) An authority is responsible for all operation and maintenance costs of the property and improvements located in the withdrawn unit of election that are owned or partially owned by the authority as described by Subsection (e).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 10, eff. September 1, 2015.

Sec. 452.658. COLLECTION OF SALES AND USE TAX AFTER WITHDRAWAL. (a) Until the amount of revenue from an authority's sales and use tax collected in a withdrawn unit of election after the effective date of withdrawal and paid to the authority equals the total financial obligation of the unit, the sales and use tax continues to be collected in the territory of the election unit.

(b) After the amount described by Subsection (a) has been collected, the comptroller shall discontinue collecting the tax in the territory of the unit of election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.659. DETERMINATION OF TOTAL AMOUNT OF FINANCIAL OBLIGATIONS OF WITHDRAWN UNIT. (a) Except as provided by Section 452.660, the total financial obligation of a withdrawn unit of election to the authority is an amount equal to:

(1) the unit's apportioned share of the authority's outstanding obligations; and

(2) the amount, not computed in Subsection (a)(1), that is necessary and appropriate to allocate to the unit because of financial obligations of the authority that specifically relate to the unit.

(b) An authority's outstanding obligations under Subsection (a)(1) is the sum of:

(1) the obligations of the authority authorized in the budget of, and contracted for by, the authority;

(2) outstanding contractual obligations for capital or other expenditures, including expenditures for a subsequent year, the payment of which is not made or provided for from the proceeds of notes, bonds, or other obligations;

(3) payments due or to become due in a subsequent year on notes, bonds, or other securities or obligations for debt issued by the authority;

(4) the amount required by the authority to be reserved for all years to comply with financial covenants made with lenders, note or bond holders, or other creditors or contractors; and

(5) the amount necessary for the full and timely payment of the obligations of the authority, to avoid a default or impairment of those obligations, including contingent liabilities.

(c) The apportioned share of a unit's obligation or assets is the amount of the obligation or assets times a fraction, the numerator of which is the number of inhabitants of the withdrawing unit of election and the denominator of which is the number of inhabitants of the authority, including the number of inhabitants of the unit.

(d) The executive committee shall determine the amount of each component of the computations required under this section, including the components of the unit's apportioned share, as of the effective date of withdrawal. The number of inhabitants shall be determined according to the most recent and available applicable data of an agency of the United States.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 11, eff. September 1, 2015.

Sec. 452.660. ADDITIONAL COMPUTATIONS FOR CERTAIN AUTHORITIES. (a) In addition to the amount determined under Sections 452.659(a)(1) and (2), the total financial obligations of a unit of election withdrawn from an authority consisting of one subregion governed by a subregional board created under Subchapter O include the amount of the cost incurred by the authority for any capital improvements transferred to the unit of election under Section 452.657(c), less the unit of election's share of the total amount of the unencumbered assets of the authority that consist of cash, cash deposits, certificates of deposit, and bonds, stocks, and other negotiable securities.

(b) The unit of election's share of the unencumbered assets of the authority under Subsection (a) is determined by the

subregional board as an amount equal to the authority's total unencumbered assets described by Subsection (a), multiplied by the average of:

(1) the number of inhabitants of the unit of election divided by the number of inhabitants of all units of election of the authority; and

(2) the total sales tax contributed by the unit of election to the authority divided by the total sales tax contributed to the authority by all units of election of the authority.

(c) The number of inhabitants is determined as provided by Section 452.559(d).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.661. CERTIFICATION OF NET FINANCIAL OBLIGATION OF UNIT. The executive committee shall certify to a withdrawn unit of election and to the comptroller the total financial obligation of the unit to the authority as determined under this subchapter.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.662. DISSOLUTION OF AUTHORITY CREATED BY CONTIGUOUS MUNICIPALITY. (a) The governing body of a contiguous municipality, at any time after confirmation of a subregional authority, may order an election for the dissolution of the authority.

(b) The governing body of a contiguous municipality, before the first anniversary of the confirmation election confirming an authority created by the municipality, shall on receipt of a petition containing the signatures of at least 20 percent of the registered voters of the contiguous municipality order an election for the dissolution of the authority.

(c) In an election ordered under Subsection (a) or (b) the following proposition shall be submitted to the voters: "Shall the (name of authority) be continued in the city of (name of city)?"

(d) If the majority of votes received in the election do not favor the proposition, the subregional authority ceases to exist on the day after the date of the canvass of the election and all

financial obligations of that unit of election stop accruing at that time.

(e) Taxes shall continue to be collected until all financial obligations of the subregional authority are paid and may not be collected after the payment of those obligations.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER R. CREATION OF AUTHORITIES

Sec. 452.701. CREATION OF REGIONAL OR SUBREGIONAL AUTHORITY AUTHORIZED. (a) The governing body of a principal municipality, the commissioners court of the county of the principal municipality, or both of these bodies, from each subregion of a metropolitan area, may agree to initiate the process to create, by a motion of the body, a regional transportation authority to provide public and complementary transportation services in the area. The principal municipality, the county of the principal municipality, or both entities, in each subregion, may become the creating entity.

(b) The governing body of a principal municipality, the commissioners court of the county of the principal municipality, or both of these bodies, from any subregion of a metropolitan area, shall initiate the process to create a regional transportation authority to provide public and complementary transportation services for a metropolitan area on receipt of a petition requesting creation of an authority signed by at least five percent of the registered voters of the principal municipality, county, or both, as appropriate. The entity to which a petition is presented has the primary responsibility for initiating the authority within a subregion. The principal municipality and the county of the principal municipality of any subregion, however, may by agreement share the responsibility or shift it from one to the other.

(c) If one subregion establishes an authority, the remaining subregion may establish a separate subregional authority as provided by this chapter. This subsection does not apply to an authority created by a contiguous municipality.

(d) The governing body of a contiguous municipality on its

own motion may, and on presentation of a petition requesting the creation of a subregional authority and signed by at least five percent of the voters of the contiguous municipality shall, initiate the process to create a subregional authority:

(1) as an alternative to participation in a regional transportation authority;

(2) if the creation of a regional transportation authority in which the contiguous municipality could participate is not confirmed;

(3) if the contiguous municipality withdraws from a regional transportation authority and:

(A) the regional transportation authority in which the municipality had participated is abolished by act of the legislature or by a vote of the voters of the entire service area; or

(B) the sales tax authorized to be collected by the regional transportation authority of which the contiguous municipality was formerly a member is modified in a manner that would reduce the authority's annual revenue yield by one-half or more; or

(4) if a regional transportation authority in which the contiguous municipality could participate is dissolved.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.702. JOINT OR MERGED SUBREGIONAL AUTHORITIES. (a) Separate subregional authorities may agree to merge.

(b) Two or more subregional authorities created by contiguous municipalities, by contract, may establish a joint subregional authority having terms approved by the governing bodies of the municipalities.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.703. INITIATING ORDER OR RESOLUTION: CONTENTS. To initiate the process of creating an authority, the governing body or commissioners court or both must adopt a resolution or order containing:

(1) a description of the boundaries of the territory

proposed to be included in each subregion; and

(2) the designation of each time and place for holding public hearings on the proposal to create the authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.704. BOUNDARIES OF AUTHORITY. (a) Except as provided by Section 452.707, the territory proposed to be included in an authority must contain all territory:

(1) in the county of the principal municipality; and

(2) in each unit of election that has the majority of its population in the county of the principal municipality.

(b) The territory may include territory in a county having a population of more than 52,000 adjacent to the county of the principal municipality.

(c) Notwithstanding Section 311.032, Government Code, or other law, this section is not severable.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.705. NOTICE OF HEARING. (a) Notice of the time and place of the public hearings on the creation of the authority, including a description of the territory proposed to be included in the authority, shall be published, beginning at least 30 days before the date of the hearing, once a week for two consecutive weeks in a newspaper of general circulation in each county of each principal municipality or contiguous municipality.

(b) The creating entities shall give a copy of the notice to the Texas Transportation Commission and the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.706. CONDUCT OF HEARING. (a) The entity or entities creating an authority shall conduct the public hearings on the creation.

(b) Any person may appear at a hearing and offer evidence on:

(1) the creation and boundaries of the authority;

(2) the operation of a public transportation system;

(3) the public utility and public interest served in

the creation of an authority; or

(4) other facts bearing on the creation of an authority.

(c) A hearing may be continued until completed.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.707. PARTICIPATION BY OTHER ENTITIES. (a) Before the confirmation election, the governing body of each municipality located in the proposed authority, by resolution, and the commissioners court of each county in which unincorporated areas are located in the proposed authority, by order, may confirm the participation of the municipality or county in the process of developing an initial service plan and rate of tax.

(b) This chapter does not require a contiguous municipality to be a part of or participate in a regional transportation authority. Within 60 days after the date of initiation of the process provided by Section 452.701 by a principal municipality or a county of the principal municipality, a contiguous city may by resolution of its governing body refuse to participate in the proposed regional transportation authority. If a contiguous city refuses to participate in the regional transportation authority, the boundaries of the contiguous municipality shall be excluded from the regional transportation authority proposed or created by the principal municipality or county of the principal municipality and may not be included in the initiating process or the confirmation procedure for the proposed authority.

(c) If proceedings to create a regional transportation authority are begun, the territory included in a subregional transportation authority created by a contiguous municipality is excluded from the proceedings and the contiguous municipality need not comply with Subsection (b).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.708. RESOLUTION OR ORDER. (a) After hearing the evidence presented at the hearings, but not earlier than 75 days after the date the process is initiated by the creating entity, each creating entity may adopt a resolution or order:

(1) designating the name of the authority;

(2) listing the names of the municipalities the governing bodies of which, and listing the unincorporated areas the county commissioners courts of which, have confirmed initial inclusion in the authority; and

(3) authorizing the appointment of the interim subregional boards and interim executive committee.

(b) After the hearing, the results of the hearing and the boundaries set by the creating entities shall be sent to the Texas Department of Transportation and the comptroller.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.709. FAILURE OF OTHER ENTITIES TO JOIN. A creating entity may continue the initiation or creation process alone if:

(1) any other entity that is in another subregion and that is authorized under Section 452.701(a) or (b) to initiate the process does not initiate the process within 60 days after the date the first creating entity initiates the process;

(2) the governing body of a municipality, or the commissioners court of an unincorporated area, in a proposed authority does not confirm participation under Section 452.707; or

(3) the governing body of another creating entity does not adopt the resolution or order described by Section 452.708(a).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.710. INTERIM SUBREGIONAL BOARD. (a) After the adoption of the resolution or order authorizing the appointment of the interim subregional board, the appointments shall be made.

(b) The interim subregional board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census is composed of 11 members appointed as provided by Section 452.562(b).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 12, eff. September 1, 2015.

Sec. 452.711. INTERIM EXECUTIVE COMMITTEE. (a) Each subregional board shall select its representative to the interim executive committee before the confirmation election.

(b) The interim executive committee, after its organization, shall develop a service plan and determine a proposed tax rate.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.712. APPROVAL OF SERVICE PLAN AND TAX RATE. (a) Not later than the 45th day after the date the interim executive committee approves the service plan and tax rate, the governing body of each municipality having territory in the authority and the commissioners court of each county having unincorporated area in the authority must approve, by resolution or order, the service plan and tax rate.

(b) A municipality or unincorporated area that does not give its approval under Subsection (a) may not participate in the service plan or the confirmation election order for the authority.

(c) The interim executive committee may not order a confirmation election in a subregion for which the governing body of the principal municipality does not approve the service plan and tax rate.

(d) In a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census, the tax rate must be approved by the commissioners court before the confirmation election.

(e) Subsections (a)-(d) do not apply to an authority created by a contiguous municipality. The interim executive committee of a subregional authority created by a contiguous municipality shall submit the proposed plan and proposed tax rate to the governing body of the contiguous municipality. The governing body may:

(1) change the proposed plan or tax rate, or both the proposed plan and tax rate; or

(2) approve the proposed plan and tax as submitted.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1122 (H.B. 3777), Sec. 13,

eff. September 1, 2015.

Sec. 452.713. APPROVAL OF SERVICE PLAN AND NOTICE OF INTENT TO ORDER ELECTION. (a) Not earlier than the 61st day after the date the interim executive committee approves a service plan and tax rate, the interim executive committee shall:

(1) modify the approved service plan and tax rate only as necessary to conform to the nonparticipation of municipalities or unincorporated areas in the service plan and approve the modified service plan and tax rate; and

(2) notify the commissioners court of each county included in whole or in part within the initial boundaries of the authority of the interim executive committee's intention to call a confirmation election.

(b) A changed service plan and rate of tax must be approved by the governing body of a contiguous municipality creating a subregional authority. Subsection (a) does not apply to an authority created by a contiguous municipality.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.714. CREATION OF UNITS OF ELECTION. (a) Within 30 days after the date the commissioners court receives a notice under Section 452.713(a)(2), the commissioners court, by order, shall designate not more than five units of election in the unincorporated area of the county.

(b) The boundaries of each designated unit of election must coincide with a county voting precinct so that, to the extent practicable, no county voting precinct is divided between two or more designated units of election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.715. CONFIRMATION ELECTION. (a) The interim executive committee, or the governing body of a contiguous municipality for the creation of a subregional authority by that municipality, in ordering the confirmation election shall submit to the qualified voters of each municipality and unincorporated area participating in the election in the authority the following

proposition:

"Shall the creation of (name of authority) be confirmed and shall the levy of the proposed tax, not to exceed (rate), be authorized?"

(b) In addition to other information required by law, the notice of the election must include a description of the nature and rate of the proposed tax.

(c) An election to confirm an authority created by a contiguous municipality may not be held on the same day as a withdrawal election held in accordance with Subchapter Q.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.716. CONDUCT OF ELECTION: SEPARATE TABULATIONS. (a) A confirmation election shall be conducted so that the votes are separately tabulated and canvassed in each participating unit of election in the authority.

(b) The executive committee shall canvass the returns and declare the results of the election separately with respect to each unit of election.

(c) The governing body of a contiguous municipality shall canvass the returns of the confirmation election ordered by the municipality to create an authority and declare the results of the election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.717. RESULTS OF ELECTION; ORDER. (a) In each unit of election in which a majority of the votes received in the unit favor the proposition, the authority is confirmed and continues inclusive of each of those units, except that the authority ceases in every unit of election in a subregion if the authority is not confirmed:

(1) in the principal municipality of the subregion; or

(2) in contiguous units of election in the subregion in which the population when aggregated in all those units exceeds 300,000.

(b) The interim executive committee may exclude from the

authority and proposed tax a unit of election because the unit is not contiguous to the existing authority and would create a fiscal hardship on the authority. The committee shall notify the appropriate governing body in writing that the unit is excluded under this subsection.

(c) If the authority continues, the interim executive committee shall record the results in its minutes and adopt an order:

(1) declaring that the creation of the authority is confirmed;

(2) describing the territory of the authority;

(3) stating the date of the election;

(4) containing the proposition;

(5) showing the number of votes cast for or against the proposition in each unit of election; and

(6) showing the number of votes by which the proposition was approved in each unit of election in which the proposition was approved.

(d) The order must be accompanied with a map of the authority that shows the boundaries of the authority.

(e) A certified copy of the order and map shall be filed with:

(1) the Texas Department of Transportation; and

(2) the comptroller.

(f) If the authority does not continue, the interim executive committee shall enter an order declaring that the result of votes cast at the election is that the authority ceases in its entirety. The order shall be filed with the Texas Department of Transportation and the comptroller, and the authority is dissolved. Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.718. RESULTS OF ELECTION IN CONTIGUOUS MUNICIPALITIES. After the confirmation election for a subregional authority created by a contiguous municipality, the governing body of the contiguous municipality shall adopt an order declaring, according to the results of the confirmation election, that the subregional authority is confirmed or ceases to exist. If the

subregional authority ceases to exist, the governing body of the contiguous municipality shall record an order in its minutes so declaring and file a certified copy of the order with the Texas Department of Transportation. On the filing the subregional authority is dissolved.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.719. COST OF ELECTION. A creating entity shall pay the cost of the confirmation election.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 452.720. EXPIRATION OF UNCONFIRMED AUTHORITY. An authority that has not been confirmed expires on the third anniversary of the effective date of the resolutions or orders initiating the process to create the authority.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.