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By: _____

S.B. No. _____

H.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to a first option agreement between a County Toll Road Authority operating under Chapter 284 Transportation Code, and a Regional Tollway Authority, operating pursuant to Chapter 366 Transportation Code, governing the ownership, construction, maintenance, and operation of toll projects.

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

SECTION 1. Section 284.003, Transportation Code, is amended by adding Subsection (h) to read as follows:

(h) Notwithstanding any other provision in the Transportation Code, a county which lies within the area of a Regional Tollway Authority operating pursuant to Chapter 366 of this code shall provide the first option to the Authority to own, construct, maintain, or operate a toll or turnpike project, as that term is defined by Section 201.001, as set forth in this section.

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(1) A county may determine the preferred alignment, feasibility, and preferred completion date, based on such traffic and revenue studies, engineering data, and environmental clearances as may be necessary.

(2) Upon a finding by the county that the toll or turnpike project is feasible, the county shall give a formal option notice to the Authority of the project, and provide the information on which the county has relied to determine need and feasibility of the project to the Authority. The Authority has a period of six months from the date of the Authority's receipt of the option notice to exercise the Authority's option to own, construct, maintain, and operate the project. To exercise the option, the Authority's board shall either:

(i) enter into a written agreement with the county regarding all or any portion of the project;

OR

(ii) commit the Authority to own, construct, maintain, and operate the turnpike project, including completion of the project in not more than ten years (or other agreed term) from the receipt of the option notice. Exercise of the option by the Authority shall include the Authority's obligation to reimburse the county for the county's costs in developing and providing the project information to the Authority. The county

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and the Authority shall enter into an agreement to allocate excess toll revenue in a manner similar to the Texas Department of Transportation/North Texas Tollway Authority Regional Protocol.

(3) In the event the Authority enters into an agreement with the county, or exercises its option to undertake the project, and fails to commence and/or complete the project within the agreed upon term, the project shall revert to the county. The county may then proceed independently to complete the project.

(4) If the Authority does not exercise its option within six months of the option date as required by (2) above, the county may proceed independently with the project under the provisions of this chapter.

(5) Should the county proceed with the project, the county and the Authority may enter into an agreement at any time to lease or transfer the ownership, construction, maintenance, or operation of the project to the Authority. The transfer must meet the same standards for a transfer from the county to the Authority as would a transfer from the Authority to a local government pursuant to Section 366.036, Transportation Code.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each

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house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.