

EXECUTIVE SUMMARY
June 20, 2012

Briefing on NTTA Legislative Goals for 83rd Texas Legislature

Government Affairs

Background

- The North Texas Tollway Authority (NTTA) is a regional tollway authority governed by Chapter 366 of the Texas Transportation Code.
- During each interim legislative period, the NTTA legislative team researches and develops the proposed legislative goals for the upcoming session for consideration and approval by the NTTA Board of Directors; these goals are intended to reflect and further the NTTA's mission as the primary toll road provider for the North Texas region. In addition, the team identifies opportunities to improve legislative strategies, outreach and communication.

General Overview

- Since the conclusion of the 82nd Texas Legislature in May 2011 and subsequent special session, the NTTA legislative team has worked with internal senior staff and executive and Board leadership to develop a program of legislative goals for the 83rd legislative session, which convenes January 8, 2013.
- The NTTA legislative team, including its legislative advisors, has met with regional and state elected leaders, as well as partner agencies, as part of a comprehensive effort to engage stakeholders in the NTTA's legislative process and to formulate 2013 legislative goals.
- Legislative initiatives have been identified for consideration and possible adoption by the NTTA Administration Committee as part of the NTTA's legislative goals for 2013:
 - Preserve existing authority for tools and practices that support the effective operations of the NTTA
 - Support legislation for enhanced toll enforcement remedies to aid the effective and equitable collection of tolls.
 - This item is evolving and part of a cooperative effort across multiple NTTA departments to identify and assess the most effective toll enforcement remedies, including some clean-up revisions to SB 469. These remedies may include but are not limited to:
 - Vehicle registration block
 - Vehicle ban/seizure through administrative hearing process
 - Booting of vehicles
 - Consider statutory changes proposed through meetings with the NTTA's member counties and justices of the peace (JP) regarding toll collection and enforcement in the JP court system

- Amend Chapter 366 to permit, under prescribed conditions, the transfer of revenue from the NTTA's two distinct toll systems into a general fund, thereby giving the NTTA the flexibility to use those revenues for any lawful purpose, including credit enhancement or other support for either system or for future projects or systems, if it so elects.
- Amend Section 366.173 to update and expand the definition of "revenue" to reflect that the NTTA receives "revenue" from sources other than merely "tolls," such as for parking services, tolling services, etc.
 - Specifically, this change would expand what is considered "revenue" that can be pledged by the NTTA to secure its debt obligations. In the last legislative session, the Regional Mobility Authorities (RMAs) obtained such an expansion.
 - The change would also further support the NTTA's ability to receive Transportation Reinvestment Zone (TRZ) revenues.
- Authorize use of Transportation Reinvestment Zones by regional tollway authorities to enhance project feasibility
 - A TRZ captures the property tax increment resulting from a planned transportation project and then applies it to defray the costs of that project.
 - Even though TRZs have been authorized since 2007, it is uncertain whether a city or a county could assign TRZ-generated monies to the NTTA, absent specific legislation authorizing that.
 - TRZ authority would allow the NTTA, together with a city or a county, to form a TRZ for the zone contiguous to a proposed turnpike and thereby commit the incremental tax resulting from the increased value of that property to the cost of the turnpike.
 - In the last legislative session, the RMAs obtained this authority.
- Amend Section 366.071 to expand the language describing expenditures allowable out of the feasibility fund.
 - Section 366.071 allows the NTTA to utilize funds from several enumerated sources to "pay the expenses of studying the cost and feasibility and other expenses relating to the preparation and issuance of bonds for a proposed turnpike project or system." The language, read literally, limits the study costs and other expenses payable by the NTTA to just those related to the issuance of bonds.
 - This revision would expand the use of monies withdrawn from the feasibility study fund to include paying the expense of studying the cost and feasibility of a turnpike project and of the design and engineering of a turnpike project.
- Amend Section 366.117 to reduce the restrictions on the NTTA's ability to seek competitive proposals from financial services providers for indemnifying bonds or pledging securities.
 - Section 366.117 specifies that only a bank or trust company acting as the depository of NTTA bond proceeds and "incorporated under the laws of this state" may furnish indemnifying bonds or pledge securities as required by the NTTA.
 - Due to the large number of major banks incorporated outside of Texas, this restriction may unduly limit competition and thereby

raise costs for (or even eliminate the possibility of obtaining) these products and services.

- Staff continues to work with the various stakeholder organizations and partner agencies that may have an interest in these items.
- The legislative program will be evolving, providing flexibility to pursue or halt any specific legislative item.
- The schedule for advancing the NTTA's legislative goals for the 83rd Texas Legislature includes consideration and possible preliminary adoption of those goals by the NTTA Board of Directors at its regularly-scheduled meeting in June 2012, and finalizing legislation prior to pre-filing in November 2012.
- The NTTA will continue proactive outreach to legislators, member counties, regional leadership, partner agencies, business community and key stakeholders.
- It is important to seek the support of the NTTA's four member counties of the final legislative program adopted by the Board.

Legal Information

- The NTTA's legal counsel participated in the development of the proposed legislative goals for the 83rd Texas Legislature and has reviewed the legislative materials.

Financial Impact

- To be determined, based on the final legislative goals and action plan.

Business Diversity

- This item has no business diversity impact.

Staff Recommendation

- Staff recommends that the Board adopt the following legislative goals for the 83rd Texas Legislature:
 - Preserve existing authority for tools and practices that support the effective operation of the NTTA.
 - Support legislation for enhanced toll enforcement remedies to aid the effective and equitable collection of tolls.
 - Amend Chapter 366 to clarify the definition, sources and uses of revenue and permitted feasibility fund expenditures, and reduce restrictions on the NTTA's ability to seek competitive proposals from financial services providers.

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