

TRANSPORTATION CODE

TITLE 6. ROADWAYS

SUBTITLE G. TURNPIKES AND TOLL PROJECTS

CHAPTER 367. MUNICIPAL TOLL BRIDGES OVER RIO GRANDE

SUBCHAPTER A. GENERAL AUTHORITY RELATING TO TOLL BRIDGES

Sec. 367.001. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality any part of the municipal boundaries of which is within 15 miles of a section of the Rio Grande that forms the border between this state and the United Mexican States.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.002. DEFINITION. In this subchapter, "toll bridge" includes:

(1) any part of the physical property comprising a toll bridge;

(2) a permit, grant, franchise, right, or privilege granted or extended by the United States, the United Mexican States, or a state or political subdivision of either nation, for or related to the construction, maintenance, or operation of a toll bridge, or to the collection of a toll or charge for use of the toll bridge;

(3) an interest in real property in either the United States or the United Mexican States that is held or used for or incident to the construction, maintenance, or operation of the toll bridge or an approach to the toll bridge or for the use or occupancy of any building or other structure, appurtenance, appliance, road or street, railroad, park, grounds, or convenience or facility of any kind relating to or incident to the toll bridge;

(4) a building or other structure, appurtenance, appliance, equipment, convenience, or facility of any kind held or used for or incident to the construction, maintenance, or operation of the toll bridge;

(5) a lease or contract of any kind for the use or occupancy of that real property, building or other structure, convenience, appliance, or facility; and

(6) any other right or property used for or incident to the construction, maintenance, or operation of the toll bridge.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.003. AUTHORITY OF MUNICIPALITY IN RELATION TO TOLL BRIDGE. For any public purpose, a municipality may acquire, construct, improve, enlarge, equip, operate, or maintain a toll bridge over a section of the Rio Grande that forms the border between this state and the United Mexican States.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.004. AUTHORITY OF MUNICIPALITY TO ENTER INTO CONTRACTS. For the purpose of taking an action authorized by this subchapter, a municipality may enter into and perform a contract, agreement, or undertaking required by the United States, the United Mexican States, or a department, officer, governmental agency, or public authority of either nation.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.005. AUTHORITY TO ISSUE REVENUE BONDS. To provide money to acquire, construct, improve, enlarge, or equip a toll bridge, a part of a toll bridge, or a related building, structure, or other facility for a public purpose, the governing body of a municipality may issue revenue bonds that are payable from and secured by a lien on and pledge of all or any part of the revenue, income, or receipts the municipality receives from its ownership and operation of:

(1) a portion of a toll bridge over the Rio Grande; and

(2) any other property, building, structure, activity, or facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.006. INTERIM FINANCING. (a) Pending the issuance of revenue bonds under this subchapter, a municipality may:

(1) spend, in connection with a toll bridge, money that is not required by law to be used for another purpose; or

(2) issue notes for an expenditure described by Subdivision (1).

(b) A municipality may use proceeds of revenue bonds issued under this subchapter to repay money spent under Subsection (a).

(c) Notes issued under Subsection (a) may have any characteristic the governing body considers appropriate and:

(1) bear rates of interest, be payable from available sources, and be secured in the same manner as revenue bonds issued under this subchapter; or

(2) be payable from:

(A) the proceeds of refunding bonds issued under this subchapter; or

(B) both revenue bonds and refunding bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.007. MATURITY. A bond issued under this subchapter must mature not later than 50 years after its date of issuance.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.008. PLEDGE OF REVENUE. A municipality may pledge to the payment of bonds issued under this subchapter, including the principal of, interest on, and any other amount required or permitted to be paid in connection with the bonds, all or any part of its revenue, income, or receipts from:

(1) a toll or charge authorized by Section [367.011](#); or

(2) another resource.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.009. ADDITIONAL SECURITY. (a) Bonds issued under this subchapter may be additionally secured by:

(1) a mortgage or deed of trust on any real property owned by the municipality; or

(2) a chattel mortgage or lien on any personal property appurtenant to that real property.

(b) The governing body of the municipality may authorize the execution of a trust indenture, mortgage, deed of trust, or other

form of encumbrance as evidence of the debt.

(c) The municipality may pledge to the payment of the bonds all or part of any grant, donation, revenue, or income received or to be received from the United States or any other public or private source whether under an agreement or otherwise.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.010. ADDITIONAL BONDS. An ordinance authorizing the issuance of bonds under this subchapter may provide for the subsequent issuance of additional parity or subordinate lien bonds under terms specified in the ordinance.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.011. TOLLS AND CHARGES. (a) The governing body of a municipality may impose and collect tolls and other charges for the use or availability of a toll bridge of the municipality.

(b) The governing body of the municipality shall impose and collect pledged tolls and charges in an amount that will be at least sufficient, with any other pledged resource, to provide for the payment of:

(1) principal of and interest on and any other amount required to be paid in connection with the bonds; and

(2) to the extent required by the ordinance authorizing issuance of the bonds:

(A) expenses incurred in connection with the bonds; and

(B) operation, maintenance, and other expenses in connection with the toll bridge.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.012. PUBLIC PURPOSE. The acquisition, construction, improvement, enlargement, or equipment by a municipality of property or a building, structure, or other facility for lease to the United States for use in performing a federal governmental function in the municipality or at or near and relating to a toll bridge of the municipality is a public purpose and a proper municipal function, regardless of whether the toll

bridge or the federal facility relating to the toll bridge is located inside or outside the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.013. LEASE OR RENTAL OF FACILITY TO UNITED STATES.

A municipality may lease or rent to the United States property or a building, structure, or other facility acquired, constructed, improved, enlarged, or equipped in whole or in part with proceeds from the sale of bonds issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.014. REFUNDING BONDS AND NOTES. (a) A

municipality may refund or otherwise refinance bonds or notes issued under this subchapter by issuing refunding bonds under any terms provided by ordinance of the governing body of the municipality.

(b) All appropriate provisions of this subchapter apply to the refunding bonds. The refunding bonds shall be issued in the manner provided by this subchapter for other bonds.

(c) The refunding bonds may be sold and delivered in amounts sufficient to pay the principal of and interest and any redemption premium on the bonds or notes to be refunded, at maturity or on any redemption date.

(d) The refunding bonds may be issued to be exchanged for the bonds or notes to be refunded. In that case, the comptroller shall register the refunding bonds and deliver them to the holder of the bonds or notes to be refunded as provided by the ordinance authorizing the refunding bonds. The exchange may be made in one delivery or in installment deliveries.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.015. SALE OF BONDS OR NOTES. A municipality may

sell bonds or notes issued under this subchapter in the manner and on the terms provided by the ordinance authorizing the issuance of the bonds or notes.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.016. BONDS AND NOTES NOT PAYABLE FROM TAXES. A bond or note issued under this subchapter:

(1) is payable only from the revenue or another resource of the municipality; and

(2) is not a tax obligation of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.017. CONFLICT OR INCONSISTENCY WITH OTHER LAW. When bonds or notes are being issued under this subchapter, to the extent of any conflict or inconsistency between this subchapter and another law, this subchapter controls.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

SUBCHAPTER B. ACQUIRING EXISTING BRIDGE; BUILDING REPLACEMENT OR
ADDITIONAL BRIDGE

Sec. 367.051. AUTHORITY TO ACQUIRE TOLL BRIDGE. (a) A municipality may acquire a toll bridge that is located over a section of the Rio Grande that forms the border between this state and the United Mexican States and that is inside or within 15 miles of its municipal boundaries by purchasing:

(1) the entire toll bridge; or

(2) that part of the toll bridge that is located in this state.

(b) The municipality is not required to:

(1) give or publish notice of its intent to acquire a toll bridge under this subchapter; or

(2) advertise or call for competitive bids in connection with the acquisition of a toll bridge under this subchapter.

(c) The municipality may acquire a toll bridge owned by a private corporation by purchasing the toll bridge itself or by purchasing all of the capital stock of the corporation or a sufficient amount of the stock as required by law to dissolve and liquidate the corporation. The municipality may take title to the stock in the name of the municipality or in the name of a trustee for the municipality. After purchasing the stock, the municipality or

its trustee shall:

(1) vote its shares in the corporation as necessary to vest title to the toll bridge, together with any associated right or property described by Section 367.052 to be acquired in connection with the acquisition of the toll bridge, in the municipality; and

(2) immediately dissolve and liquidate the corporation, pay its debts, liabilities, and obligations, wind up its business and affairs, and convey the properties to the municipality.

(d) The purchase and acquisition of toll bridge property or stock in a corporation under this section must be made at the price and on the terms agreed on by the owners of the property or stock and the governing body of the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.052. RIGHTS AND PROPERTIES ASSOCIATED WITH TOLL BRIDGE. When a municipality acquires a toll bridge under Section 367.051, the municipality may, as determined by the governing body of the municipality, acquire any or all of the following items in connection with the toll bridge:

(1) a permit, grant, franchise, right, or privilege granted or extended by the United States, the United Mexican States, or a department, officer, agency, governmental authority, state, municipality, or political subdivision of either nation, for or related to the construction, maintenance, or operation of the toll bridge or the collection of a toll or charge for the use of the toll bridge;

(2) an interest in real property in either the United States or the United Mexican States that is held or used for or incident to the construction, maintenance, or operation of the toll bridge or an approach to it, or for the use or occupancy of any building or other structure, appurtenance, appliance, road or street, park, grounds, or convenience or facility of any kind relating to or incident to the construction, maintenance, or operation of the toll bridge;

(3) a building or other structure, appurtenance, appliance, equipment, convenience, or facility of any kind held or

used for or incident to the construction, maintenance, or operation of the toll bridge;

(4) a lease or contract of any kind for the use or occupancy of that real property or a building or other structure, convenience, appliance, or facility; or

(5) any other right or property used for or incident to the construction, maintenance, or operation of the toll bridge.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.053. LIBERAL CONSTRUCTION. This subchapter shall be liberally construed to effect its purposes.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.054. POWERS TO BE EXERCISED BY ORDINANCE; ELECTION NOT REQUIRED. (a) The governing body of a municipality may exercise a power, right, privilege, or function conferred by this subchapter on the municipality only by adopting an ordinance to authorize the action.

(b) A referendum or election by the voters of the municipality is not necessary to authorize:

(1) the adoption of an ordinance under Subsection (a);

or

(2) the taking of an action to accomplish a purpose of this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.055. GENERAL POWERS OF MUNICIPALITY ACQUIRING TOLL BRIDGE. (a) A municipality that acquires a toll bridge under this subchapter may:

(1) maintain, operate, own, hold, control, repair, improve, extend, or replace the toll bridge;

(2) renew or extend an existing franchise and obtain a new or additional franchise for the bridge; and

(3) take any action required for maintaining or operating the bridge, conducting the bridge's business, or providing services to the public and to the users of the bridge.

(b) To accomplish the purposes of this section the

municipality may enter into and perform a contract, agreement, or undertaking of any kind required by the United States or the United Mexican States or a department, officer, governmental agency, or public authority of either nation.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.056. RECREATIONAL FACILITIES. (a) In connection with the maintenance and operation of the toll bridge, a municipality may acquire real property that is either inside or outside the municipal boundaries and that is adjacent to the toll bridge or the municipality to construct, maintain, or operate a park, recreational grounds or facilities, a camp, quarters, accommodations, or other facility for the use and convenience of the public.

(b) The municipality may manage, police, and regulate those facilities and may adopt and enforce reasonable rules for those facilities without regard to whether the toll bridge is located inside or outside the municipality.

(c) The governing body of the municipality may impose and collect a fee, rental, or other charge for the use of a facility established under this section. The charge must be just, reasonable, and nondiscriminatory.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.057. TOLLS AND CHARGES. (a) A municipality that acquires a toll bridge under this subchapter or that owns or controls an international toll bridge may impose tolls and other charges for the use of the bridge and for the transportation of persons or property, including passengers, vehicles, or freight and commodities, over the bridge.

(b) In accordance with any applicable permit or franchise granted by a governmental authority, the tolls and other charges must be just, reasonable, nondiscriminatory, and sufficient to provide revenue in an amount that is sufficient to:

(1) pay all expenses necessary to maintain and operate the toll bridge;

(2) make necessary payments and comply with any

applicable permit or franchise;

(3) pay when due the principal of and interest on all bonds or warrants issued under this subchapter;

(4) pay when due all sinking fund or reserve fund payments agreed to be made in connection with bonds or warrants issued under this subchapter and payable from that revenue;

(5) comply with any agreement made with the holders of bonds or warrants issued under this subchapter or with any person on behalf of those holders; and

(6) recover a reasonable rate of return on invested capital.

(c) The governing body of the municipality may use revenue received under this section in excess of the amount required by Subsection (b) to:

(1) establish a reasonable depreciation and emergency fund;

(2) retire by purchase and cancellation or by redemption any outstanding bonds or warrants issued under this subchapter;

(3) provide necessary budgetary support to local government for public purposes and the general welfare; or

(4) accomplish the purposes of this subchapter.

(d) This subchapter does not deprive this state, the United States, or an agency with jurisdiction of its power:

(1) to regulate or control tolls and other charges to be collected for a purpose listed in Subsection (b) or (c); or

(2) to provide for bridges over the river that will be used free of any tolls or charges.

(e) Until bonds or warrants issued under this subchapter have been paid and discharged, including all interest on the bonds or warrants, interest on unpaid interest installments on the bonds or warrants, other costs or expenses incurred in connection with any acts or proceedings taken by or on behalf of the holders of the bonds or warrants, and all other obligations of the municipality incurred in connection with the bonds or warrants:

(1) the municipality may not provide free use of the toll bridge to any person; and

(2) this state pledges to and agrees with the purchasers and successive holders of the bonds or warrants that it will not:

(A) limit or alter the power of a municipality to impose tolls and other charges under this section sufficient to pay the items listed in Subsection (b) or (c); or

(B) take any action that will impair the rights or remedies of the holders of the bonds or warrants or of persons acting on their behalf.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.058. AUTHORITY TO BORROW MONEY OR ACCEPT FEDERAL ASSISTANCE. (a) To accomplish the purposes of this subchapter, a municipality may:

(1) borrow money from any person or corporation; or

(2) borrow money or accept grants from the United States or a corporation or agency created by or authorized to act as an agency of the United States.

(b) In connection with a loan or grant under Subsection (a)(2), a municipality may enter into any related agreement that the United States, corporation, or agency requires.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.059. AUTHORITY TO ISSUE REVENUE BONDS. (a) The governing body of a municipality may issue, sell, and deliver revenue bonds to accomplish the purposes of this subchapter. The municipality may use the bonds or the proceeds of the sale of the bonds to acquire all or part of a toll bridge under this subchapter or may exchange the bonds for property to accomplish the purposes of this subchapter.

(b) The governing body may issue the bonds and use a bond or bond proceeds as provided by this subchapter without:

(1) giving or publishing notice of the municipality's intent to take that action; or

(2) advertising or calling for competitive bids in connection with that action.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.060. BONDS AND WARRANTS NOT PAYABLE FROM TAXES.

(a) Bonds and warrants issued under this subchapter are not a debt of the municipality that issues them and are a charge only against:

- (1) the pledged revenues of the toll bridge; and
- (2) the property comprising the toll bridge, if a lien is given on that property.

(b) A bond or warrant issued under this subchapter must include substantially the following provision: "The holder of this obligation is not entitled to demand payment of this obligation out of any money raised by taxation."

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.061. MORTGAGE OR PLEDGE OF REVENUE TO SECURE BONDS. To accomplish any purpose of this subchapter, the governing body of a municipality may with respect to bonds issued under this subchapter:

- (1) mortgage or pledge all or part of:
 - (A) any interest in a toll bridge of the municipality, together with any associated right or property described by Section 367.052, or any other property acquired or to be acquired with the bonds or the proceeds of the sale of the bonds; or
 - (B) the net or gross revenue of any property described by Paragraph (A);
- (2) secure the payment of the principal of and interest on the bonds and of the sinking fund and reserve fund agreed to be established in connection with the bonds; and
- (3) enter into any covenant or agreement with the purchasers of the bonds or any person on behalf of those purchasers with respect to the bonds to:
 - (A) secure the payments described by Subdivision (2); and
 - (B) provide rights and remedies to the purchasers or holders of the bonds or any person on their behalf.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.062. MATURITY. The governing body of a municipality shall determine the maturity of bonds issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.063. SALE OR EXCHANGE OF BONDS. A bond issued under this subchapter may be:

- (1) sold for cash at a public or private sale;
- (2) issued in exchange for property of any kind or an interest in property of any kind, as the governing body of the municipality determines is necessary and proper to accomplish a purpose of this subchapter; or
- (3) issued in exchange for a matured or unmatured bond of the same issue and in the same principal amount.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.064. DEPOSIT OF PROCEEDS. The proceeds of the sale of bonds sold for cash shall be deposited and paid out under the terms that are agreed to by the governing body of the municipality and the purchasers of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.065. AUTHORITY TO ISSUE BONDS OR WARRANTS TO REPAIR, IMPROVE, OR BUILD TOLL BRIDGE. (a) A municipality that has acquired a toll bridge under this subchapter may issue and deliver revenue bonds or revenue time warrants:

- (1) to repair, improve, alter, reconstruct, or replace the bridge;
- (2) to build an additional bridge; or
- (3) for one or more of those purposes.

(b) The municipality shall issue the bonds or warrants:

- (1) in the manner prescribed by this subchapter; and
- (2) subject to any restriction in an ordinance authorizing or a deed of indenture securing the original or a subsequent issue of toll bridge bonds or warrants.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.066. TAX EXEMPTIONS. Bonds issued under this subchapter are exempt from taxation by this state or a municipality or other political subdivision of this state.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.067. LIMITATIONS ON MUNICIPAL AUTHORITY. This subchapter does not authorize a municipality to:

(1) impose or collect a tax or assessment or pledge the credit of this state; or

(2) issue, sell, or deliver a bond, create an obligation, incur a liability, or enter an agreement to be paid, performed, met, or discharged using any tax or assessment.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.068. APPLICABILITY OF AND CONFLICTS WITH OTHER LAW. (a) Sections 252.046, 252.047, and 252.048, Local Government Code, and Subchapter B, Chapter 1502, Government Code, apply, except as provided by Section 367.051, Section 367.059, or another provision of this subchapter, to:

(1) the purchase of a toll bridge under this subchapter;

(2) the issuance, sale, or delivery of bonds under this subchapter;

(3) the manner of securing payment of the bonds;

(4) the enforcement of the obligations relating to the bonds;

(5) the rights and remedies of the owners or holders of the bonds or of any person acting on their behalf;

(6) the maintenance or operation of property acquired under this subchapter; and

(7) the accomplishment of any other purpose of this subchapter.

(b) To the extent of a conflict between this subchapter and another law, this subchapter controls.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Amended by Acts 1999, 76th Leg., ch. 1064, Sec. 43, eff. Sept. 1, 1999.

SUBCHAPTER C. BONDS FOR REPAIR OR IMPROVEMENT OF TOLL BRIDGE

Sec. 367.101. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a municipality that owns that portion of an international toll bridge over the Rio Grande that is located in the United States.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.102. AUTHORITY TO ISSUE REVENUE BONDS. The municipality may, in compliance with Subtitles A, C, D, and E, Title 9, Government Code, issue bonds payable from the net revenue derived from the operation of the bridge to:

- (1) repair or improve the bridge;
- (2) acquire an approach to the bridge; or
- (3) construct a building to be used in connection with the bridge.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.

Sec. 367.103. ADDITIONAL BONDS. (a) The municipality may issue additional revenue bonds to the extent permitted or authorized by the provisions of or the proceedings relating to outstanding bonds that are payable from the net revenue from the operation of the bridge, including any trust indenture securing the outstanding bonds.

(b) As permitted or authorized by those provisions and proceedings, the additional bonds may be secured by a pledge of and lien on the net revenue that are:

- (1) junior to the pledge and lien securing the outstanding bonds; or
- (2) on a parity with the outstanding bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 25, eff. Sept. 1, 1999.