Section 1. Purpose of the Debt Management Policy Statement

The purpose of this Debt Management Policy Statement is to establish policies, procedures and guidelines to be used by the Corpus Christi Regional Transportation Authority (CCRTA) for the utilization of debt.

Section 2. Authority, Scope, and Review

2.1 Authority

Section 451.352 of the Texas Transportation Code authorizes the CCRTA to issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its transit authority system. The Board of Directors, by resolution, may authorize the issuance of bonds payable solely from revenue. Bonds, any portion of which is payable from taxes, may not be issued until authorized by a majority of the votes received in an election ordered and held for that purpose.

2.2 Scope

CCRTA may issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement, or extension of its transit authority system. The Board, by resolution, may authorize the issuance of bonds payable solely from revenue. Bonds, any portion of which is payable from taxes, may not be issued until authorized by a majority of the votes received in an election ordered and held for that purpose.

CCRTA bonds are fully negotiable, and may be redeemable before maturity at the price and subject to the terms and conditions that are provided in the CCRTA's resolution authorizing the bonds.

CCRTA bonds may be sold at a public or private sale as determined by the Board to be the more advantageous.

CCRTA bonds and the records relating to their issuance shall be submitted to the Attorney General for examination before the bonds may be delivered. If the Attorney General finds that the bonds have been issued in conformity with the constitution and Chapter 451, and that the bonds will be in a binding obligation of the issuing authority, the Attorney General shall approve the bonds. After such approved, the Comptroller shall register the bonds.

2.3 Review

This debt policy statement will be reviewed as needed, specifically upon recommendation of any changes to the policy.
Section 3. Security Pledged

To secure the payment of the CCRTA’s bonds, the authority may:

1. Pledge all or part of revenue realized from any tax that the authority may impose; and
2. Pledge all or part of the revenue of the transit authority system.

Section 4. Pledge of Revenue Limited

The expenses of operation and maintenance of CCRTA, including salaries, labor, materials, and repairs necessary to provide efficient service and every other proper item of expense, are a first lien and charge against any revenue of CCRTA that is encumbered under Chapter 451.

Section 5. Refunding Bonds

CCRTA may issue refunding bonds for the purposes and in the manner authorized by general law.

Section 6. Tax Exemption

The interest on the CCRTA’s bonds is exempt from state and local taxes.

Prepared by the Finance Department