

BILL ANALYSIS

H.B. 2055
By: Christian
Financial Institutions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires the Texas Bond Review Board to review and approve all bonds, installment sales, and lease-purchases issued by state agencies and universities when they have a principal greater than \$250,000 or a term longer than five years. Securities may be exempted from the review and approval process if the Texas Bond Review Board determines it is unnecessary or impractical for it to review them.

Section 1372.0231, Government Code allocates 75 percent of the state ceiling available for multifamily housing mortgage revenue bonds to local housing finance corporations. The remaining 25 percent is allocated to the Texas Department of Housing and Community Affairs (TDHCA). Bonds issued by the local housing finance corporations require only the approval of the relevant local corporation's board of directors. Bonds issued by TDHCA must be approved by both TDHCA's board of directors and the Texas Bond Review Board. This duplicative approval process is unnecessary and adds cost to the state and the applicant.

H.B. 2055 exempts revenue bonds available exclusively to TDHCA for reservation of qualified residential retail project bonds from the Texas Bond Review Board's review and approval process.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2055 amends Section 1231.041, Government Code to exempt a revenue bond available exclusively to TDHCA for reservation of qualified residential rental project (multifamily housing) bonds from the review and approval process of the Texas Bond Review Board.

EFFECTIVE DATE

September 1, 2003