

BILL ANALYSIS

C.S.H.B. 3420
By: Garza
Border and International Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain Texas-Mexico rural border communities known as colonias continue to experience substandard living conditions. Many of these colonias existed prior to 1989 when the legislature began to address the issue. S.B. 1296 passed in the 77th Legislature authorized the issuance of general obligation bonds to aid counties in roadway improvement projects to serve colonias and has provided the means to constructively address certain challenges faced by these communities. C.S.H.B. 3420 would provide for a set-aside of funds generated from the general obligation bonds issued under S.B. 1296 to pave roads for the first time in rural border counties.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. C.S.H.B. 3420 amends the Chapter 1403 of the Government Code - General Obligation Bonds for Certain Border Colonia Projects to define a border rural county as a county has a population of less than 55,000 and is adjacent to an international border. C.S.H.B. 3420 requires the Texas Public Finance Authority (authority) to set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias. The bill requires the authority, as directed by the Texas Department of Transportation, to provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county. C.S.H.B. 3420 specifies that the grant may be used to purchase any materials or equipment reasonably necessary to accomplish the goal of the project.

SECTION 2. Prospective clause.

SECTION 3. Effective Date.

EFFECTIVE DATE

On passage, or if the Act does not receive the necessary vote, this Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute amends the original by increasing the maximum population of a rural border county from 25,000 to 55,000. The substitute also amends the original by changing the amount of the set aside from two percent to five percent.

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