

1 SENATE CONCURRENT RESOLUTION

2 WHEREAS, Current federal tax provisions place an arbitrary
3 state cap on the volume of private activity bonds, which hinders the
4 ability of Texas to meet its rapidly growing water infrastructure
5 needs; and

6 WHEREAS, Private activity bonds afford a cost-effective,
7 nonrecourse means of financing the development of adequate
8 wastewater and drinking water facilities for the future and
9 minimize the risk to the ratepayer; and

10 WHEREAS, Other sources of municipal infrastructure
11 financing, such as general obligation bonds, revenue bonds,
12 enterprise bonds, and loans under the federal Environmental
13 Protection Agency's state revolving loan fund program, are
14 insufficient to allow Texas to comply with new federal
15 environmental and public health mandates; and

16 WHEREAS, The cap on the volume of private activity bonds
17 forces water and wastewater projects to compete with other projects
18 in Texas without regard to the urgent priority of protecting public
19 health and the environment; and

20 WHEREAS, Private activity bonds foster innovative
21 public-private partnerships and help them develop cost-effective
22 projects for the construction of sewage and drinking water
23 facilities and the rehabilitation and upgrade of existing water
24 infrastructure; and

1 WHEREAS, Removing the financing cap would give public
2 officials the maximum number of tools for meeting the growing
3 public demand for water services while ensuring compliance with
4 federal environmental and public health laws; now, therefore, be it

5 RESOLVED, That the 78th Legislature of the State of Texas
6 hereby respectfully urge the Congress of the United States to amend
7 the Internal Revenue Code of 1986 to provide that the volume cap for
8 private activity bonds not apply to bonds for water and wastewater
9 facilities; and, be it further

10 RESOLVED, That the Texas secretary of state forward official
11 copies of this resolution to the president of the United States, to
12 the speaker of the house of representatives and the president of the
13 senate of the United States Congress, and to all the members of the
14 Texas delegation to the congress with the request that this
15 resolution be officially entered in the Congressional Record as a
16 memorial to the Congress of the United States of America.

President of the Senate

Speaker of the House

I hereby certify that S.C.R. No. 6 was adopted by the Senate on March 12, 2003.

Secretary of the Senate

I hereby certify that S.C.R. No. 6 was adopted by the House on April 30, 2003.

Chief Clerk of the House

Approved:

Date

Governor