

By: Averitt

S.C.R. No. 6

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.