

By: Averitt

S.C.R. No. 6

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CONCURRENT RESOLUTION

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

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

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

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

WHEREAS, Private activity bonds foster innovative public-private partnerships and help them develop cost-effective projects for the construction of sewage and drinking water facilities and the rehabilitation and upgrade of existing water 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.