

1-1 By: Averitt S.C.R. No. 6
1-2 (In the Senate - Filed January 27, 2003; February 6, 2003,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 6, 2003, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; March 6, 2003, sent to printer.)

1-6 SENATE CONCURRENT RESOLUTION

1-7 WHEREAS, Current federal tax provisions place an arbitrary
1-8 state cap on the volume of private activity bonds, which hinders the
1-9 ability of Texas to meet its rapidly growing water infrastructure
1-10 needs; and

1-11 WHEREAS, Private activity bonds afford a cost-effective,
1-12 nonrecourse means of financing the development of adequate
1-13 wastewater and drinking water facilities for the future and
1-14 minimize the risk to the ratepayer; and

1-15 WHEREAS, Other sources of municipal infrastructure
1-16 financing, such as general obligation bonds, revenue bonds,
1-17 enterprise bonds, and loans under the federal Environmental
1-18 Protection Agency's state revolving loan fund program, are
1-19 insufficient to allow Texas to comply with new federal
1-20 environmental and public health mandates; and

1-21 WHEREAS, The cap on the volume of private activity bonds
1-22 forces water and wastewater projects to compete with other projects
1-23 in Texas without regard to the urgent priority of protecting public
1-24 health and the environment; and

1-25 WHEREAS, Private activity bonds foster innovative
1-26 public-private partnerships and help them develop cost-effective
1-27 projects for the construction of sewage and drinking water
1-28 facilities and the rehabilitation and upgrade of existing water
1-29 infrastructure; and

1-30 WHEREAS, Removing the financing cap would give public
1-31 officials the maximum number of tools for meeting the growing
1-32 public demand for water services while ensuring compliance with
1-33 federal environmental and public health laws; now, therefore, be it

1-34 RESOLVED, That the 78th Legislature of the State of Texas
1-35 hereby respectfully urge the Congress of the United States to amend
1-36 the Internal Revenue Code of 1986 to provide that the volume cap for
1-37 private activity bonds not apply to bonds for water and wastewater
1-38 facilities; and, be it further

1-39 RESOLVED, That the Texas secretary of state forward official
1-40 copies of this resolution to the president of the United States, to
1-41 the speaker of the house of representatives and the president of the
1-42 senate of the United States Congress, and to all the members of the
1-43 Texas delegation to the congress with the request that this
1-44 resolution be officially entered in the Congressional Record as a
1-45 memorial to the Congress of the United States of America.

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