

Amend CSHB 2702 by adding the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumbering subsequent SECTIONS as appropriate:

SECTION __. Subchapter B, Chapter 222, Transportation Code, is amended by adding Section 222.035 to read as follows:

Sec. 222.035. PRIVATE ACTIVITY BONDS. (a) In this section, "private activity bond" has the meaning assigned by Section 141(a), Internal Revenue Code (26 U.S.C. Section 141(a)).

(b) If the attorney general makes a determination that the United States Congress has enacted legislation amending the Internal Revenue Code to include highway facilities or surface freight transfer facilities among the types of facilities for which private activity bonds may be used:

(1) the determination shall be published in the Texas Register; and

(2) Subsections (d), (e), (f), and (g) take effect on the 30th day after the date on which the attorney general's determination is published in the Texas Register.

(c) The attorney general shall monitor federal legislation for purposes of this section.

(d) The department shall administer a program for private activity bonds issued for highway facilities or surface freight transfer facilities in this state.

(e) The program, at a minimum, must include a process by which the department and the Bond Review Board receive and evaluate applications for issuance of private activity bonds for highway facilities or surface freight transfer facilities.

(f) The department shall adopt rules to administer the program established under this section.

(g) To the extent that private activity bonds for highway facilities or surface freight transfer facilities are subject to the state ceiling under 26 U.S.C. Section 146, the issuance of bonds for those facilities is governed by Chapter 1372, Government Code.