

BILL ANALYSIS

Senate Research Center
79R3494 HLT-D

H.B. 1106
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Education
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Public School Facilities Act was established in 1989 to be administered by the Bond Review Board. The board was authorized to issue bonds and place the proceeds in the public school facilities fund. The original intent of the legislation was to address concerns over the Internal Revenue Service (IRS) arbitrage rules fearing the Permanent School Fund (PSF) would no longer be allowed to guarantee school district bonds. Therefore, the State was given the ability to issue bonds to buy school district bonds thereby conferring the State's credit rating on the transaction. The 1990 IRS ruling alleviated all fears therefore the legislation has not been used.

H.B. 1106 repeals this unused statute creating the Public School Facilities Funding Act.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Chapter 1402 (Public School Facilities Act), Government Code.

SECTION 2. Effective date: upon passage or September 1, 2005.