

BILL ANALYSIS

Senate Research Center
79R7611 JJT-F

S.B. 1352
By: Williams
Finance
4/4/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Texas Private Activity Bond Program (program) is a federal program administered by the Texas Bond Review Board (board) to assist in financing eligible privately-owned public-purpose projects.

As proposed, S.B. 1352 adjusts the program with respect to the board granting reservations greater than \$25 million for single projects that qualify under the Texas Government Code. The change in the reservation adjustment cap from \$25 to \$50 million is necessary to account for inflation since the original \$25 million cap was established a decade ago, and the cost of construction for these types of projects typically exceeds \$25 million, often necessitating double financing for a single project.

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. Amends Section 1372.037(a), Government Code, to prohibit the Bond Review Board from granting for any single project before September 1, except as provided by Subsection (b), a reservation for that year that is greater than \$50 million, rather than \$25 million, if the issuer is any other issuer of bonds that require an allocation.

SECTION 2. Effective date: upon passage or the 91st day adjournment.