

1-1 By: Krusee (Senate Sponsor - Staples) H.B. No. 2652  
1-2 (In the Senate - Received from the House May 10, 2005;  
1-3 May 12, 2005, read first time and referred to Committee on  
1-4 Transportation and Homeland Security; May 23, 2005, reported  
1-5 adversely, with favorable Committee Substitute by the following  
1-6 vote: Yeas 6, Nays 0; May 23, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2652 By: Barrientos

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation of a private activity bond program for  
1-11 highway and surface freight facilities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter B, Chapter 222, Transportation Code,  
1-14 is amended by adding Section 222.035 to read as follows:

1-15 Sec. 222.035. PRIVATE ACTIVITY BONDS. (a) In this  
1-16 section, "private activity bond" has the meaning assigned by  
1-17 Section 141(a), Internal Revenue Code (26 U.S.C. Section 141(a)).

1-18 (b) If the attorney general makes a determination that the  
1-19 United States Congress has enacted legislation amending the  
1-20 Internal Revenue Code to include highway facilities or surface  
1-21 freight transfer facilities among the types of facilities for which  
1-22 private activity bonds may be used:

1-23 (1) the determination shall be published in the Texas  
1-24 Register; and

1-25 (2) Subsections (d), (e), and (f) take effect on the  
1-26 30th day after the date on which the attorney general's  
1-27 determination is published in the Texas Register.

1-28 (c) The attorney general shall monitor federal legislation  
1-29 for purposes of this section.

1-30 (d) The department shall administer a program for private  
1-31 activity bonds issued for highway facilities or surface freight  
1-32 transfer facilities in this state.

1-33 (e) The program, at a minimum, must include a process by  
1-34 which the department and the Bond Review Board receive and evaluate  
1-35 applications for issuance of private activity bonds for highway  
1-36 facilities or surface freight transfer facilities.

1-37 (f) The department shall adopt rules to administer the  
1-38 program established under this section.

1-39 (g) To the extent that private activity bonds for highway  
1-40 facilities or surface freight transfer facilities are subject to  
1-41 the state ceiling under Section 146, Internal Revenue Code (26  
1-42 U.S.C. Section 146), the issuance of bonds for such facilities is  
1-43 governed by Chapter 1372, Government Code.

1-44 SECTION 2. This Act takes effect immediately if it receives  
1-45 a vote of two-thirds of all the members elected to each house, as  
1-46 provided by Section 39, Article III, Texas Constitution. If this  
1-47 Act does not receive the vote necessary for immediate effect, this  
1-48 Act takes effect September 1, 2005.

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