

BILL ANALYSIS

Senate Research Center

H.B. 1467
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Private Activity Bond Program (PAB) is a federal program administered by the State of Texas (state) to assist in financing privately owned public-purpose projects. The program can be a powerful economic development tool when used in connection with other programs to attract businesses and industry to the state. Currently 18 states use their program in some way for economic development purposes to attract or expand business opportunities.

As proposed, H.B. 1467 adjusts the program to enable the governor of the State of Texas (governor) to use PABs for job-creation and economic development purposes. The change grants priority status during a program year and during competition for carryforward reservations to projects that the Texas Economic Development and Tourism Office determines meets the governor's criteria for funding through the Texas Enterprise Fund (TEF).

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 1372.031, Government Code, as follows:

Sec. 1372.031. PRIORITIES FOR RESERVATIONS AMONG CERTAIN ISSUERS.

(a) Requires the bond review board (board), if, on or before October 20, more than one issuer in a category described by Section 1372.022(a)(2), (3), (4), or (6) applies for a reservation of the state ceiling for the next program year, to grant reservations in that category in the order determined by the board by lot, except as provided by Subsection (b) and subject to Sections 1372.0321 and 1372.0231.

(b) Requires the board, within the category described by Section 1372.022(a)(6), to grant priority to the Texas Economic Development Bank (bank) for projects that the Texas Economic Development and Tourism Office (office) determines meet the governor's criteria for funding from the Texas Enterprise Fund. Prohibits the bank, notwithstanding the priority, from receiving an amount greater than one-fourth of the portion of the state ceiling available under Section 1372.022(a)(6) on January 1 of the program year.

(c) Requires the office, in selecting projects for reservations of the state ceiling for a program year under Subsection (b), from among those projects the office determines meet the governor's criteria for funding from the Texas Enterprise Fund (fund), to give priority to obtaining reservations for those projects located or to be located in an economically depressed or blighted area, as defined by Section 2306.004, or in an enterprise zone designated under Chapter 2303 (Enterprise Zones).

(d) Provides that this section and Section 1372.063 do not give a priority to any project described by Subsection (b) for the purpose of selecting projects for reservations under Section 1372.022(b).

SECTION 2. Amends Section 1372.063, Government Code, as follows:

Sec. 1372.063. PRIORITY 1 CARRYFORWARD CLASSIFICATION. Sets forth additional entities to which the priority 1 carryforward classification applies.

SECTION 3. Effective date: upon passage or September 1, 2007.