

By: Carona

S.B. No. 1375

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of commercial paper notes by certain regional transportation authorities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 452.352, Transportation Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) Subsection (b) does not apply to:

(1) refunding bonds; [~~or~~]

(2) bonds described by Subsection (a)(2); or

(3) commercial paper notes having maturities of 270 days or less that are authorized to be issued and reissued from time to time under a commercial paper program in a maximum principal amount that the chief financial officer certifies, based on reasonable estimates of pledged sales and use tax revenue, can be repaid in full within five years after the date of authorization of the commercial paper program, taking into consideration any other bonds or notes having a prior or parity lien on the pledged revenue, regardless of the final date of the commercial paper program.

(e) A commercial paper program described by Subsection (d)(3) may not be continued beyond five years unless, before issuing any note with a maturity exceeding five years from the date of the initial authorization of the program or five years from the date of any new certification, the chief financial officer provides

1 a new certification that the maximum principal amount of the
2 program, based on reasonable estimates of pledged sales and use tax
3 revenue, can be repaid in full within five years after the date of
4 the most recent new certification, taking into consideration any
5 other bonds or notes having a prior or parity lien on the pledged
6 revenue.

7 SECTION 2. This Act takes effect September 1, 2007.