

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2209
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill amends Chapter 1372 (Private Activity Bonds), Texas Government Code, to allow for one application to be submitted to the Bond Review Board (TBRB) for projects that propose to finance multiple facilities or facilities in multiple jurisdictions.

Under current interpretations of Chapter 1372, an entity seeking a reservation of the state's allocation for private activity bonds must submit separate applications to TBRB for each facility proposed to be financed with such bonds.

In 2007, the Texas Legislature amended Chapter 1372 to allow for a single application for residential housing projects with multiple sites. The proposed legislation allows the same single application process for projects that include the financing of sewage facilities, solid waste disposal facilities, and qualified hazardous waste facilities.

The bill will not reduce the fee associated with applications. Currently, a \$500 fee is required to be submitted with such applications. The bill would require the same \$500 fee for each facility included in the single application.

C.S.S.B. 2209 amends current law relating to applications regarding the issuance of private activity bonds by certain governmental entities for projects with multiple sites.

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 1372.002, Government Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Provides that, for purposes of this chapter, a project is:

(1) an eligible facility or facilities that are proposed to be financed, in whole or in part, by an issue of qualified residential rental project bonds;

(2) in connection with an issue of qualified mortgage bonds or qualified student loan bonds, the providing of financial assistance to qualified mortgagors or students located in all or any part of the jurisdiction of the issuer; or

(3) an eligible facility or facilities that are proposed to be financed, in whole or in part, by an issue of bonds other than bonds described by Subdivision (1) or (2).
Makes a nonsubstantive change.

(e) Authorizes an application under this chapter, for purposes of Subsection (a)(3), and only for applications for the financing of sewage facilities, solid waste disposal facilities, and qualified hazardous waste facilities, to include multiple facilities in multiple jurisdictions. Authorizes the number of facilities, in such an application, to be reduced as needed without affecting their status as a project for purposes of the application.

SECTION 2. Amends Section 1372.006(a), Government Code, to require that an application for a reservation under Subchapter B (Allocation and Reservation of State Ceiling) or a carry forward designation under Subchapter C (Carry forward of State Ceiling) be accompanied by a nonrefundable fee in the amount of \$500, except that, for projects that include multiple facilities authorized under Section 1372.002(e), the application is required to be accompanied by a nonrefundable fee in an amount of \$500 for each facility included in the application for the project; and for issuers of qualified residential rental project bonds, the application is required to be accompanied by a nonrefundable fee of \$5,000, of which the Texas Bond Review Board (TBRB) is required to retain \$1,000 to offset the costs of the private activity bond allocation program and the administration of that program and, of which, TBRB is required to transfer \$4,000 through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program as provided by Section 2306.259 (Affordable Housing Research and Information Program). Makes a nonsubstantive change.

SECTION 3. Effective date: upon passage or September 1, 2009.