

By: Watson

S.B. No. 706

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the approval and issuance of tax and revenue
3 anticipation notes.

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

5 SECTION 1. Section 404.124, Government Code, is amended by
6 amending Subsections (a) and (b) and adding Subsection (b-1) to
7 read as follows:

8 (a) Before issuing notes the comptroller shall submit to the
9 committee a general revenue cash flow shortfall forecast, based on
10 the comptroller's most recent anticipated revenue estimate. The
11 forecast must contain a detailed report of estimated revenues and
12 expenditures for each month and each major revenue and expenditure
13 category and must demonstrate the maximum general revenue cash flow
14 shortfall that may be predicted. The committee shall hold a public
15 hearing to solicit testimony on the forecast, including testimony
16 on this state's overall economic condition, as soon as practicable
17 after receiving the forecast.

18 (b) Based on the forecast and testimony provided at the
19 hearing required by Subsection (a), the committee may approve the
20 issuance of notes, subject to Subsections (b-1) and (c), and the
21 maximum outstanding balance of notes in any fiscal year. The
22 outstanding balance may not exceed the maximum temporary cash
23 shortfall forecast by the comptroller for any period in the fiscal
24 year. The comptroller may not issue notes in excess of the amount

1 approved.

2 (b-1) The committee's approval of the issuance of notes
3 granted under Subsection (b) expires on the 61st day after the date
4 the hearing conducted under Subsection (a) concludes. The
5 comptroller may not issue notes on or after the 61st day unless the
6 comptroller submits another general revenue cash flow shortfall
7 forecast to the committee and the committee subsequently grants
8 approval for the issuance of the notes in accordance with the
9 procedure required by Subsections (a) and (b). Each subsequent
10 approval expires on the 61st day after the date the hearing on which
11 the approval was based concludes.

12 SECTION 2. This Act takes effect September 1, 2011.