

## **BILL ANALYSIS**

S.B. 1657  
By: Watson  
Appropriations  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Commercial paper is a short-term debt tool that has been used on rare occasions by the state to assist in the management of the state's cash flow needs. Interested parties report that recent legislation intended to improve the transparency of the Cash Management Committee has led the office of the attorney general to determine that the reissuance of commercial paper is no longer permissible. Although commercial paper is rarely used, the parties contend that the comptroller of public accounts should have the flexibility to use commercial paper if necessary. S.B. 1657 seeks to address this issue by amending current law relating to the approval of the issuance of tax and revenue anticipation notes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1657 amends the Government Code to establish that the Cash Management Committee's approval of the issuance of commercial paper notes expires on the last day of the fiscal year for which the tax and revenue anticipation notes are approved, providing for the issuance and rollover of commercial paper notes during that fiscal year. The bill requires that all commercial paper notes mature and be paid in full during the fiscal biennium in which they were issued. The bill clarifies that "tax and revenue anticipation notes" and "notes," as those terms relate to statutory provisions governing tax and revenue anticipation notes, include commercial paper notes.

S.B. 1657 changes the expiration date for each subsequent approval by the Cash Management Committee of tax and revenue anticipation notes from the 61st day after the date the hearing on which the approval of such notes was based concludes to the 91st day after that date.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.