

## **BILL ANALYSIS**

S.B. 1689  
By: West  
Pensions, Investments & Financial Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been noted that a local government sponsor may create and sponsor more than one public facility corporation but is not expressly authorized to create such a corporation jointly with another local government. It has been suggested that allowing a public facility corporation to be created jointly by more than one local government would promote collaboration and result in greater efficiencies and cost savings. S.B. 1689 seeks to address this issue by authorizing two or more sponsors to create a corporation under the Public Facility Corporation Act to accomplish the corporation's purposes with respect to each of the sponsors.

### **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. 1689 amends the Local Government Code to authorize two or more sponsors to create a corporation under the Public Facility Corporation Act to accomplish the corporation's purposes with respect to each of the sponsors. The bill requires the governing body of each sponsor to follow the procedures described by that act to create the corporation. The bill authorizes the articles of incorporation or the bylaws of the corporation to provide any terms that are mutually acceptable to the corporation's sponsors. The bill, subject to the terms of the corporation's articles of incorporation and bylaws, does the following:

- authorizes each sponsor to use the corporation in any manner in which a sponsor may use a corporation under the Public Facility Corporation Act;
- establishes that each sponsor is treated for purposes of that act as a sponsor of the corporation;
- authorizes the corporation to issue bonds or refunding bonds or to incur other obligations to finance, refinance, or provide one or more public facilities on behalf of one or more of the corporation's sponsors; and
- authorizes the corporation to loan the proceeds of an obligation to any entity to accomplish the purposes of one or more of the corporation's sponsors.

### **EFFECTIVE DATE**

September 1, 2019.