

By: Frullo

H.B. No. 2968

A BILL TO BE ENTITLED

AN ACT

relating to procedures for the issuance of certain private activity bonds.

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

SECTION 1. Section 1372.024(b), Government Code, is amended to read as follows:

(b) The amount removed under Subsection (a) may not exceed 10 [~~eight~~] percent of the state ceiling.

SECTION 2. Section 1372.037(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsection (b), before August 15 the board may not grant for any single project a reservation for that year that is greater than:

(1) \$40 million, if the issuer is an issuer of qualified mortgage bonds, other than the Texas Department of Housing and Community Affairs or the Texas State Affordable Housing Corporation;

(2) \$100 [~~\$50~~] million, if the issuer is an issuer of a state-voted issue, other than the Texas Higher Education Coordinating Board, or \$200 [~~\$75~~] million, if the issuer is the Texas Higher Education Coordinating Board;

(3) the amount to which the Internal Revenue Code limits issuers of qualified small issue bonds and enterprise zone facility bonds, if the issuer is an issuer of those bonds;

1 (4) the lesser of \$20 million or 15 percent of the
2 amount set aside for reservation by issuers of qualified
3 residential rental project bonds, if the issuer is an issuer of
4 those bonds;

5 (5) an [~~the~~] amount as prescribed by Section [~~in~~
6 ~~Sections~~] 1372.033(d) [~~, (e), and (f)~~], if the issuer is an issuer
7 authorized by Section 53B.47, Education Code, to issue qualified
8 student loan bonds; or

9 (6) \$50 million, if the issuer is any other issuer of
10 bonds that require an allocation.

11 SECTION 3. Sections 1372.042(b) and (c), Government Code,
12 are amended to read as follows:

13 (b) An issuer of state-voted issues or an issuer of
14 qualified mortgage revenue bonds shall close on the bonds for which
15 the reservation was granted not later than the 240th [~~180th~~] day
16 after the reservation date.

17 (c) Notwithstanding Subsections (a), (a-1), and (b), if the
18 120-day period, the 150-day period, or the 240-day [~~180-day~~]
19 period, as applicable, expires on or after December 24 of the year
20 in which the reservation was granted, the issuer shall close on the
21 bonds before December 24, except that if the applicable period
22 expires after December 31 of that year, the issuer may notify the
23 board in writing before December 24 of the issuer's election to
24 carry forward the reservation and of the issuer's expected bond
25 closing date. In compliance with the requirements of Section
26 146(f), Internal Revenue Code of 1986, the board shall file in a
27 timely manner a carryforward election with respect to any bonds

1 expected to close after December 31 to permit the bonds to close by
2 the expected date, except that the board may not file the
3 carryforward election after February 15 of the year following the
4 year in which the reservation was granted. The grant of the
5 reservation for the balance of the 120-day period, the 150-day
6 period, or the 240-day [~~180-day~~] period, as applicable, is
7 automatically and immediately reinstated on the board's filing of a
8 carryforward election with respect to the reservation.

9 SECTION 4. This Act takes effect September 1, 2019.