

## **BILL ANALYSIS**

Senate Research Center  
87R516 SLB-D

S.B. 1222  
By: Taylor  
Local Government  
4/17/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Gulf Coast Authority (GCA) was created in 1969 with the primary focus to protect the waters of the State of Texas and later, to provide the funding to build the infrastructure that is necessary to treat wastewater and water facilities. The authority's ability to issue tax exempt bonds for eligible projects allows GCA to provide safe, reliable, cost-effective, and compliant services for a broad range of industrial and municipal customers statewide.

To date, they have issued over \$3 billion in private activity bonds and are continuously working on projects to help attract industry to our state and improve water quality.

Some of these projects could be made even more efficient by utilizing the Property Assessed Clean Energy (PACE) program, reducing the potential cost of certain planned upgrades. Additionally, regional wastewater treatment does not necessarily follow state boundaries and future projects could include a component or pipeline, or facility that is in a bordering state. With the authority granted under S.B. 1222, GCA would be able to charge the beneficiaries located out of state their allocated share of the total cost rather than the full cost being borne by Texas industry.

S.B. 1222 expands GCA's current authority as a conduit financier for projects with portions located out of the state in the same manner and to the same extent as a municipality or county may do so under existing statute as well as provide the ability to utilize the existing federal PACE program to reduce the development cost of current and future projects. Reducing these restrictions on GCA's infrastructure investments creates lower cost and more efficient regional treatment facilities.

S.B. 1222 amends current law relating to the authority of a development corporation created by GCA to finance certain projects.

As proposed, S.B. 1222 amends current law relating to the authority of a development corporation created by the Gulf Coast Authority to finance certain projects.

### **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 3.01, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, by adding Subsection (g), as follows:

(g) Authorizes a development corporation created by the Gulf Coast Authority under Chapter 501 (Provisions Governing Development Corporations), Local Government Code, to finance:

(1) projects described by Subchapter C (Authorized Projects), Chapter 501, Local Government Code, located inside or outside this state; and

(2) qualified improvements as defined by Section 399.002 (Definitions), Local Government Code, located inside or outside this state in the same manner and to the same extent as a municipality or county may do so under Chapter 399 of that code.

SECTION 2. Effective date: upon passage or September 1, 2021.