

BILL ANALYSIS

S.B. 1984
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Bond Review Board administers the private activity bond allocation program, which enables the board to regulate the volume ceiling and monitor the amount of demand and use of private activity bonds every year. Private activity bonds allow for the tax-exempt financing of certain private activities such as mortgage revenue bonds, small-issue industrial development bonds, qualified low-income housing developments, certain state-voted bond issues, and student loans. Under current law, if board-issued private activity bonds are not required to close by December 31 of the year the bond was granted, the board may designate a reservation amount for a private activity bond as a "carryforward," alleviating the need for repeat applications. As reported by the board, there has been an upsurge in the demand for private activity bonds in recent years. S.B. 1984 seeks to accelerate the processing of these private activity bonds by providing for the reassignment of the carryforward designation of these bonds.

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. 1984 amends the Government Code to require the Bond Review Board to designate as carryforward for purposes of certain private activity bonds an amount previously designated as carryforward for which the board receives written notice from an issuer electing to reassign the carryforward designation to the issuer's next available application for a project, if the issuer provides the requisite materials. The bill removes from those materials the designation of the carryforward on a board-prescribed application form and specifies that the written request signed by an authorized representative of the issuer that is required to be included in those materials is a withdrawal request.

EFFECTIVE DATE

September 1, 2021.