

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 9, 2021**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1451** by Alvarado (relating to the definition of "closing" for purposes of certain private activity bonds.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time. The bill does not specify how long an issuer may take to draw-down proceeds and the likely loss of Private Activity Bond authority in the possible scenario of the total drawn-down proceeds being less than the authority allocated.

The bill would amend the Texas Government Code relating to the definition of "closing" for purposes of certain private activity bonds.

The term would include delivery of a bond in exchange for a partial payment for the incremental funding of the bond in accordance with the terms of the bond, provided that the partial payment is not less than 10 percent of the required payment for the bond. The term does not include a delivery of a bond if expenditure of the proceeds of the of the bond is conditioned on obtaining credit enhancement in support of the bond.

According to the Bond Review Board, there is insufficient information to determine total fiscal impact.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JMc, SZ, LCO, HGR, AAL