

BILL ANALYSIS

Senate Research Center

S.B. 1155
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Intergovernmental Relations
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As Filed

DIGEST

Currently, tax-exempt debt is restricted in the private purposes for which it can be issued and the amount, in each state during each calendar year, and is calculated as \$50 per capita each year or a “state ceiling” or “volume cap.” Texas requires an application for a reservation for a particular tax-exempt debt program; and the program to be administered by the Bond Review Board (board). S.B. 1155 would change the date an application for reservation for tax-exempt debt is filed to the board, and would require a fee in the amount of \$1,000 to be paid to the board.

PURPOSE

As proposed, S.B. 1155 changes the date and fee of an application for reservation is filed for allocation of funds for the tax-exempt debt program.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4a, Article 5190.9a, V.T.C.S., to require an application for a reservation for a particular program year to state a statement by the issuer, other than an issuer of a state-voted issue or the Texas Department of Housing and Community Affairs, that bonds are not being issued for the same stated purpose for which the issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from, including transferred proceeds representing unexpended proceeds from, a prior issue or issues of bonds issued by the same issuer, or based on the issuer’s population, unless such issuer provides evidence that a binding contract or binding contracts have been entered into, or other evidence acceptable to the Bond Review Board (board) as described in program rules, to expend the unexpended proceeds by the later of 12 months after the date of receipt by the board of an application for a reservation or December 31 of the program year for which the application is being filed. Makes a conforming change.

SECTION 2. Amends Section 12, Article 5190.9a, V.T.C.S., to require an issuer receiving a carryforward designation to submit to the board a fee in the amount of \$1,000 or 0.025 percent of the amount of the carryforward designation, whichever is greater. Requires the fee to be submitted no later than the fifth business day following the date of receipt of the carryforward designation.

SECTION 3. Effective date: September 1, 1999, except as provided by Subsection (b) of this section.

SECTION 4. Emergency clause.