

BILL ANALYSIS

Senate Research Center
79R3687 DRH-D

S.B. 1440
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, a city cannot pledge sales tax revenue to secure indebtedness issued by a city. As proposed, S.B. 1440 allows sales and use tax dollars to be used to pay or secure the payment of public securities under certain circumstances.

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 Chapter 1331, Government Code, by adding Subchapter Z, as follows:

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 1331.901. USE OF SALES TAX TO PAY OR SECURE CERTAIN PUBLIC SECURITIES. (a) Defines "public securities."

(b) Authorizes revenue derived from a sales and use tax received by a municipality to be used to pay or secure the payment of public securities issued by or on behalf of the municipality to finance the acquisition, construction, equipping, renovation, or improvement of any public work or other project any part of which is located in certain zones, districts, or communities.

SECTION 2. Amends Section 321.506, Tax Code, to make a conforming change.

SECTION 3. Effective date: upon passage or September 1, 2005.