

BILL ANALYSIS

Senate Research Center

H.B. 1077
By: Telford (Ambrister)
State Affairs
4-24-97
Engrossed

DIGEST

The Texas Public Finance Authority (authority) was created in 1983 by the 68th Legislature. The authority is responsible for providing bond financing to its client agencies for legislatively approved projects and ensuring timely and accurate payment of debt service on those bonds. The authority currently issues bonds on behalf of 13 state agencies. In addition, the authority administers the Master Lease Purchase Program. The authority carries out its programs and functions through a staff located solely in Austin. To carry out these functions, the authority had a budget of \$605,204 and 14 employees for fiscal year 1996.

The authority is subject to the Sunset Act and will be abolished September 1, 1997, unless continued by the legislature. As a result of its review of the authority, the Sunset Advisory Commission recommended continuation and several statutory modifications that are contained in this legislation.

PURPOSE

As proposed, H.B. 1077 provides for the continuation of the Texas Public Finance Authority (authority) for a 12-year period and makes statutory modifications recommended by the Sunset Commission. The modifications proposed by this bill:

- 1) consolidate the bonding authority of agencies with small and infrequent state bond issuances into the authority;
- 2) improve the authority's interaction with client agencies by requiring an early, plain language orientation to the authority's bond issuance process;
- 3) continue the authority for 12 years; and
- 4) provide for other changes as recommended by the Sunset Commission.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the governing board of the Texas Public Finance Authority under SECTION 7 (Section 9D(e), Article 601d, V.T.C.S., of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4, Article 601d, V.T.C.S. (Texas Public Finance Authority Act), to set forth standard sunset language regarding the composition of the governing board (board) of the Texas Public Finance Authority.

SECTION 2. Amends Article 601(d), V.T.C.S., by adding Sections 5A and 5B, to set forth standard sunset language regarding grounds for removal and board member training.

SECTION 3. Amends Sections 6(a) and (c), Article 601d, V.T.C.S., to set forth standard sunset language regarding the presiding officer of the board. Makes technical changes.

SECTION 4. Amends Article 601d, V.T.C.S., by adding Section 6A, to set forth standard sunset

language regarding public testimony at board meetings.

SECTION 5. Amends Article 601d, V.T.C.S., by adding Sections 8A-8G, to define "trade association," and set forth standard sunset language regarding compensation for board members or their spouses, lobbyists, qualifications for office or employment, the separation of policymaking and management responsibilities, equal employment policy, a career ladder program, annual performance evaluations, compliance with state and federal program laws, non-English speakers, and complaints.

SECTION 6. Amends Section 9B, Article 601d, V.T.C.S., by amending Subsection (a) and adding Subsection (c), to require the Texas Low-Level Radioactive Waste Disposal Authority, Midwestern State University, Stephen F. Austin University, and Texas Southern University to issue bonds through the authority. Sets forth provisions regarding the authority of the authority in issuing bonds.

SECTION 7. Amends Article 601d, V.T.C.S., by adding Section 9D, as follows:

Sec. 9D. OBLIGATION ISSUANCE ORIENTATION; INFORMATION TO AND FROM CLIENT AGENCIES. Requires the authority to develop an orientation to the obligation issuance process for the authority's client agencies. Sets forth requirements regarding the orientation. Requires the authority to prepare certain information. Requires the board, by rule, to establish certain methods regarding client agencies. Defines "client agency."

SECTION 8. Amends Article 601d, V.T.C.S., by adding Sections 26A and 26B, to set forth standard sunset language regarding application of the State Funds Reform Act and the annual financial report.

SECTION 9. Amends Section 31, Article 601d, V.T.C.S., to set forth standard sunset language regarding the authority's sunset date.

SECTION 10. Amends Section 55.13, Education Code, to require Midwestern State University, Stephen F. Austin State University, and Texas Southern University to issue bonds through the authority. Provides that the authority has all the rights, duties, and is subject to the same conditions as a board of one of the institutions relating to bond issuances under this chapter.

SECTION 11. Amends Section 402.094(c), Health and Safety Code, to authorize the authority to lease property on terms and conditions the board determines advantageous to the authority, and authorizes land that is part of a licensed disposal site to be leased only from the Texas Public Finance Authority as provided by the Texas Public Finance Authority Act.

SECTION 12. Amends Section 402.291, Health and Safety Code, by adding Subsection (d), to require the authority, acting on behalf of the Texas Low-Level Radioactive Waste Disposal Authority, to issue all bonds authorized under this subchapter. Provides that in connection with the issuance of those bonds, the Texas Public Finance Authority is subject to all rights, duties, and conditions provided by this subchapter with respect to the issuance on bonds by the Texas Low-Level Radioactive Waste Disposal Authority.

SECTION 13. Makes application of this Act prospective.

SECTION 14. Effective date: September 1, 1997.

SECTION 15. Emergency clause.