BILL ANALYSIS

Senate Research Center

H.B. 2982
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, Texas law outlines provision for counties making loans, based on certain population requirements. Current statutes allow counties with populations between 8,300 and 8,600 to obligate the county to no more than $165,000, at an annual percentage rate of 10 percent for a maximum loan limit of 10 years. This bill expands the borrowing potential of counties by increasing the percentage rate at which the commissioners court of a county with a population between 8,300 and 8,600 is allowed to obligate the county.

PURPOSE

As proposed, H.B. 2982 expands the borrowing potential of counties by increasing the percentage rate at which the commissioners court of a county with a population between 8,300 and 8,600 is allowed to obligate the county.

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 Sections 1, 2, and 3, Article 1644c-1, V.T.C.S., to provide that all counties of this state having a population of less than 8,600, rather than a population of more than 8,300, according to the last preceding United States Census, are hereby expressly authorized and empowered to borrow money from any source, public or private, in any amount not to exceed the aggregate principal amount of $200,000, rather than $165,000. Authorizes such counties to issue obligations in evidence of money borrowed that may draw interest at any rate the commissioners court determines is appropriate. Deletes the requirement that interest on obligations is not to exceed four percent per annum. Provides that the commissioners court of any county qualifying under Section 1 is empowered to approve the issuance of warrants or obligations in any amounts, providing that the total of such warrants or obligations does not exceed $200,000, rather than $165,000. Deletes a provision providing that no such warrants or obligations shall be issued, sold or delivered after five years from the effective date of this Act.

SECTION 2. Emergency clause.
Effective date: upon passage.