

BILL ANALYSIS

Senate Research Center

S.B. 1793
By: Wentworth
Natural Resources
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As Filed

DIGEST

Currently, the Upper Guadalupe River Authority is unable to borrow money by issuing revenue notes. This bill would allow the authority to borrow money by issuing such notes.

PURPOSE

As proposed, S.B. 1793 authorizes the Upper Guadalupe River Authority to issue revenue notes.

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 Article 8280-124, V.T.C.S., by adding Section 10(c), as follows:

Sec. 10(c). (a) Authorizes the Upper Guadalupe River Authority (authority) to borrow money for any corporate purpose or combination of corporate purposes pursuant to the methods and procedures specifically provided by this chapter or by general law.

(b) Authorizes the board of directors of the authority, without the necessity of an election, to borrow money on negotiable notes of the authority to be paid solely from the revenues of the Authority derived from the ownership of all or any designated part of the authority's works, plants, improvements, facilities, equipment, or water rights after deduction of the reasonable cost of maintaining and operating the facilities.

(c) Authorizes the notes to mature over a term of not more than 20 years and bear interest at a rate not more than 10 percent.

(d) Authorizes the notes to be first or subordinate lien notes within the discretion of the board, but that no obligation may ever be a charge on the property of the authority or on the taxes levied or collected by the authority, but shall be a charge on the revenues pledged for the payment of the obligation. Prohibits any part of the obligation from ever being paid, from the taxes levied or collected by the authority.

(e) Provides that as the authority is a special water authority, Section 49.153, Water Code, does not apply to any revenue note issued by the authority.

SECTION 2. Provides that proof of publication of the constitutional notice required in the enactment of this Act under the provisions of Article XVI, Section 59(d), Government Code, has been made in the manner provided therein and a copy of the notice and bill as originally introduced have been delivered to the governor of the State of Texas as required in such constitutional provision, and to all other persons, agencies, officials, or entities required to be furnished by the constitution and other laws of the state, and that notice and delivery are found and declared to be proper and sufficient to satisfy those requirements. Provides that the Texas Natural Resource Conservation Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time. Provides that all other procedural requirements for the notice, introduction, and passage of this Act have been fulfilled and

accomplished.

SECTION 3. Emergency clause.
Effective date: upon passage.