

BILL ANALYSIS

Senate Research Center
77R9805 SGA-F

S.B. 1760
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DIGEST AND PURPOSE

Currently, the Housing Trust Fund is the sole program funded by the State of Texas to help provide affordable housing units for low and very low-income households. Historically, the fund has not received much funding from the state. Current funding sources consist of appropriations or transfers made to the fund, unencumbered fund balances, and public and private gifts or grants. However, housing demands in Texas outweigh the funding that has been provided by the state to address those demands. As proposed, S.B. 1760 increases the amount of money available to the fund through a general obligation bond issuance.

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 Section 2306.201, Government Code, to provide that the housing trust fund is a fund placed with the Texas Treasury Safekeeping Trust Company or with a depository selected in conformance with the terms of a bond indenture. Provides that the fund consists of proceeds of general obligation bonds issued as provided by the governing board (board) of the Texas Department of Housing and Community Affairs (department) under Section 2306.352.

SECTION 2. Amends Section 2306.202(b), Government Code, to provide that use of the fund is limited to providing payment for costs associated with general obligation bonds issued as provided by the board under Section 2306.352.

SECTION 3. Amends Section 2306.352(a), Government Code, to authorize the board by resolution to provide for the issuance of negotiable general obligation bonds as authorized by the Texas Constitution.

SECTION 4. Amends Section 2306.471, Government Code, as follows:

(a) Provides that general obligation bonds issued by the board under Section 2306.352 and approved and registered under this chapter are general obligations of the state.

(b) Prohibits the net effective interest rate on general obligation bonds issued under this section from exceeding the maximum rate allowable under Chapter 1204 (Interest Rate), Government Code.

SECTION 5. Provides that this Act takes effect January 1, 2002, provided that the accompanying S.J.R. becomes law; however, if the accompanying S.J.R. does not become law, this Act has no effect.

SECTION 6. Provides that this Act takes effect only if a specific appropriation for the implementation of this Act is provided in the General Appropriations Act enacted by the 77th Legislature, Regular

Session, 2001; however, if no specific appropriation is provided in the General Appropriations Act, this Act has no effect.