

BILL ANALYSIS

Senate Research Center

C.S.H.B. 3420
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International Relations and Trade
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, certain Texas-Mexico rural border communities known as colonias continue to experience substandard living conditions. Many of these colonias existed prior to 1989, when the Texas Legislature began to address the issues that these communities faced. S.B. 1296, passed by the 77th Texas Legislature, authorized the issuance of general obligations bonds to aid counties in roadway improvement projects to serve colonias and provided a means to constructively address certain challenges faced by these communities. C.S.H.B. 3420 provides for a set-aside of funds generated from the general obligation bonds issued under S.B. 1296 to pave roads in rural border counties.

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 1403, Government Code, by adding Section 1403.003 and 1403.004, as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) Defines "border colonia," "rural border county," and "set-aside."

(b) Requires the Texas Public Finance Authority (authority) to set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) Requires the authority, as directed by the Texas Department of Transportation, to provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county.

(d) Authorizes a grant under this section to be used by a rural border county to purchase any materials or equipment reasonably necessary to accomplish the goal of the project.

Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR EQUIPMENT. Authorizes a grant under this subchapter to be used to purchase any materials or to lease any equipment as reasonably necessary to accomplish the goal of the project. Requires materials purchased as permitted by this subsection to be used solely in connection with the project. Requires equipment leased as permitted by this subsection to be used substantially in connection with the project throughout the period of the applicable lease.

SECTION 2. Provides that the change in law made by this Act applies to proceeds from the sale of general obligation bonds and notes that are distributed under Chapter 1403, Government Code, as amended by this Act, on or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2003.