

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 2033

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Finance

4/27/2007

Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The state needs additional funding toward the completion of projects at several state agencies. This funding is limited by current law limiting the Texas Public Finance Authority to \$850 million in issued general obligation bonds.

C.S.S.B. 2033 authorizes the Texas Public Finance Authority to issue up to \$1 billion in general obligation bonds toward the maintenance, improvement, repair, or construction of projects, or for the purchase of needed equipment, as authorized by the legislature, upon passage of the necessary constitutional amendment.

### **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 Subchapter C, Chapter 1232, Government Code, by adding Section 1232.1116, as follows:

Sec. 1232.1116. CERTAIN MAINTENANCE, IMPROVEMENT, REPAIR, AND CONSTRUCTION PROJECTS; GENERAL OBLIGATION BONDS. (a) Provides that the Texas Public Finance Authority (authority) has the exclusive power to issue general obligation bonds under Section 50-g, Article III, Texas Constitution. Requires the board of directors of the authority (board) to issue the bonds in a cumulative amount not to exceed \$1 billion for maintenance, improvement, repair, and construction projects in or outside Travis County that are administered by or on behalf of a state agency listed in Section 50-g, Article III, Texas Constitution, and authorized by the legislature in accordance with Section 1232.108 (Legislative Authorization Required), Government Code, or the purchase of needed equipment by or on behalf of such an agency and authorized by the legislature by the General Appropriations Act or other law.

(b) Requires the board to provide for, issue, and sell the bonds in accordance with Section 50-g, Article III, Texas Constitution, and this chapter. Requires proceeds from the sale of the bonds (proceeds) to be invested as provided in this chapter.

(c) Authorizes the spending of proceeds from the sale of the bonds on an authorized project or for the purchase of needed equipment only in accordance with the legislative appropriation of the proceeds.

SECTION 2. Effective date: upon approval by the voters of the constitutional amendment authorizing the issuance of general obligation bonds in an amount not to exceed \$1 billion for maintenance, improvement, repair, and construction projects.