

BILL ANALYSIS

Senate Research Center

S.B. 1984
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Bond Review Board administers the Private Activity Bond Allocation Program, which enables the board to regulate the volume ceiling and monitor the amount of demand and use of private activity bonds every year.

Private activity bonds allow for the tax-exempt financing of the following private activities: sewage facilities, solid waste disposal facilities, hazardous waste disposal facilities, mortgage revenue bonds, small-issue industrial development bonds, qualified low-income housing development, certain state-voted bond issues, and student loans.

Under current law, if board-issued private activity bonds are not required to close by December 31st in the year granted, the Texas Bond Review Board can designate a reservation amount for a private activity bond as a "carryforward," alleviating the need for repeat applications.

As reported by the Texas Bond Review Board, there has been an upsurge in the demand for private activity bonds in recent years—which is a positive manifestation.

S.B. 1984 aims to speed up the processing of the high demand of private activity bonds by extending the timeline for carryforwards designated by the Texas Bond Review Board.

As proposed, S.B. 1984 amends current law relating to private activity bonds.

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 1372.061, Government Code, by amending Subsection (b), as follows:

(b) Requires the Texas Bond Review Board (BRB) to designate as carryforward:

(1) creates this subdivision from existing text and makes a nonsubstantive change;
or

(2) the amount previously designated to an issuer under Subsection (a) (relating to certain amounts that BRB is authorized to designate as carryforward) and for which BRB receives written notice from an issuer of an election to reassign the carryforward designation under Section 1372.074 (Reassignment of Carryforward Designation).

SECTION 2. Amends Section 1372.074, Government Code, by amending Subsections (a) and (b), as follows:

(a) Authorizes an issuer, after one year from the initial carryforward designation, to elect to reassign all or part of the carryforward designation in accordance with Section

1372.061(b) to the issuer's next available application, rather than to elect to reassign all or part of the carryforward designation to a new project, if the issuer provides certain information, including a written withdrawal request, rather than a written request, signed by an authorized representative of the issuer, and any applicable fees under Section 1372.006 (Fees), rather than applicable fees under Section 1372.006. Deletes existing text including the designation on a form described by Section 1372.070 (Form and Contents of Application for Carryforward Application) in the list of certain information the issuer is required to provide to elect to reassign all or part of the carryforward designation. Makes nonsubstantive changes.

(b) Requires a project that is reassigned a carryforward designation under Section 1372.074, rather than a new project that is reassigned a carryforward designation under Section 1372.074, to close within the time period allowed by the Internal Revenue Code of 1986.

SECTION 3. Effective date: September 1, 2021.