

BILL ANALYSIS

Senate Research Center
88R19021 MZM-D

H.B. 3097
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Local Government
5/18/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Natural disasters along the Texas Gulf Coast highlight the importance of local governments having the ability to access emergency funding following a hurricane or tropical storm. In 2007, the 80th Texas Legislature passed H.B. 3270, which provided a mechanism for local governments to access the financial market following such events to fund public work projects resulting from the natural disaster. The legislation specifically authorized the preliminary approval of such obligations by the attorney general prior to an emergency to ensure that the cities have access to financial markets. Currently, cities must meet a credit rating requirement when issuing anticipation notes following a natural disaster, which has caused issues for cities.

H.B. 3097 seeks to clarify that an anticipation note issued for emergency purposes would not necessitate a rating from a nationally recognized rating agency as required by Chapter 1371, Government Code.

H.B. 3097 amends current law relating to the issuance of anticipation notes or other obligations by issuers located along the Gulf Coast in an emergency.

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 1431.015(b), Government Code, as follows:

(b) Authorizes an issuer located within 70 miles of the Gulf of Mexico or of a bay or inlet of the gulf to authorize the issuance of an anticipation note or other obligation in the event of an emergency, notwithstanding any other provision of Chapter 1431 (Anticipation Notes) or a rating requirement prescribed by Chapter 1371 (Obligations for Certain Public Improvements). Provides that an anticipation note or other obligation issued under Section 1431.015 (Certain Notes or Other Obligations for Emergency Financing) is an obligation under Chapter 1371, but is not required to be rated as required by that chapter.

SECTION 2. Makes application of the change in law made by this Act, prospective.

SECTION 3. Effective date: upon passage or September 1, 2023.