

BILL ANALYSIS

Senate Research Center

S.B. 1415
By: Lindsay
Intergovernmental Relations
3/29/2001
As Filed

DIGEST AND PURPOSE

Current law allows counties to issue anticipation notes, with a maximum maturity of seven years. As proposed, S.B. 1415 authorizes certain countywide districts such as flood control and hospital districts, as well as certain school districts, to issue anticipation notes; increases the maximum maturity of some of the notes to 15 years; and clarifies that the final maturity of bonds issued to refund anticipation notes is not limited to the final maturity of the notes being refunded.

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 1431.001, Government Code, to conform to Sections 3 and 4, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999, and to define “eligible countywide district” and “eligible school district” and to redefine “governing body” and “issuer.”

SECTION 2. Amends Section 1431.002, Government Code, to conform to Sections 4 and 6, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999, and to authorize the governing body of an eligible countywide district or the governing body of an eligible school district to authorize the issuance of an anticipation note.

SECTION 3. Amends Section 1431.003(a), Government Code, to conform to Section 5, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999, and to provide that this section applies only to an issuer that is a county, a municipality with a certain population, an eligible school district, or an eligible countywide district.

SECTION 4. Amends Section 1431.004, Government Code, to conform to Section 4, Chapter 984, Acts of the 76th Legislature, Regular Session 1999, and to provide that an issuer, other than an eligible school district, is authorized to use the proceeds of an anticipation note to pay certain obligations or expenses. Authorizes the governing body of an eligible school district to use the proceeds of an anticipation note to pay an obligation incurred or to be incurred for certain purposes.

SECTION 5. Amends Section 1431.006, Government Code, to conform to Section 7, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999, and to prohibit anticipation notes issued for the purposes described by Section 1431.004(a)(2), in the fiscal year in which the attorney general approves the notes, for a county or eligible countywide district, from exceeding 50 percent of the revenue or taxes anticipated to be collected in that year; or for an eligible school district, exceeding 75 percent of the income of the district for the fiscal year preceding that year.

SECTION 6. Amends Section 1431.007, Government Code, to add an exception and to authorize the governing body of a flood control district operating as a conservation and reclamation district that issues anticipation notes for one or more purposes described in Section 1431.004(a)(1) to: provide

that the anticipation notes be paid from and secured by revenue or the proceeds of bonds to be issued by the issuer; and pledge to the payment of the anticipation notes revenues or the proceeds of bonds to be issued by the issuer.

SECTION 7. Amends Section 1431.009, Government Code, to conform to Section 7, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999, and to add an exception. Requires an anticipation note issued for a purpose described by Section 1431.004(a)(1) or (b)(2) to mature before a certain date. Require an anticipation note issued by a county with a population of two million or more, an eligible countywide district, or an eligible school district for a purpose described by Section 1431.004(a)(1) or (b)(2) to mature before the 15th anniversary of the date that the attorney general approves the note. Provides that a bond issued under Chapter 1207 to refund an anticipation note issued by a county, municipality, or eligible countywide district for a purpose described by Section 1431.004(a)(1) or by an eligible school district for a purpose described by Section 1431.004(a)(1)(C) or (b)(2) is subject to the limitation on maturity provided by Section 1207.006 and not the limitation provided by Subsection (a).

SECTION 8. Amends Section 411.003(a), Local Government Code, to authorize a contract under this section to provide that payments due under the contract are payable from and secured by a pledge of any revenue of the county or the county's ad valorem taxes or a combination of such revenues and taxes.

SECTION 9. Makes application of Section 1431.009(d), as added by this Act, retroactive.

SECTION 10. Provides that, in accordance with Section 311.031(c) (Saving Provisions), Government Code, giving effect to a substantive amendment enacted by the same legislature that codifies the amended statute, the text of Sections 1431.001-1431.004, 1431.006, and 1431.009, Government Code, as set out in this Act, give effect to changes made by Sections 3-7, Chapter 984, Acts of the 76th Legislature, Regular Session, 1999. Provides that this Act prevails over another Act of the 77th Legislature, Regular Session, 2001, relating to nonsubstantive additions and corrections in enacted codes, to the extent of any conflict.

SECTION 11. Effective date: September 1, 2001.