

BILL ANALYSIS

Senate Research Center

S.B. 1660
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DIGEST AND PURPOSE

Currently, the Texas Bond Review Board (board) is required to review and approve all bonds, installment sales, and lease-purchases issued by state agencies and universities with a principal greater than \$250,000 or a term greater than five years. State issuers, to protect the proceeds of bond sales, must submit to the board a detailed plan for administration and disbursement of bond proceeds, investment provisions, and any specific provisions for safety and security of the proceeds. The Texas Department of Housing and Community Affairs (TDHCA) acts as a conduit issuer for multifamily housing mortgage revenue bonds and as such the bonds do not constitute an obligation, debt, or liability of the state. As proposed, S.B. 1660 prohibits an entity, including a state agency, from issuing a state security unless the security is a revenue bond available exclusively to the TDHCA for reservation of qualified residential rental project 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 1231.041, Government Code, as follows:

Sec. 1231.041. APPROVAL OF STATE SECURITY. Prohibits an entity, including a state agency, from issuing, among others, a state security unless the security is a revenue bond available exclusively to the Texas Department of Housing and Community Affairs for reservation of qualified residential rental project bonds in the manner described by Section 1372.0231.

SECTION 2. Effective date: September 1, 2003.