

## **BILL ANALYSIS**

Senate Research Center  
79R7611 JJT-F

H.B. 1901  
By: Smith, Wayne (Williams)  
Finance  
4/29/2005  
Engrossed

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

The Texas Private Activity Bond Program (program) is a federal program administered by the Texas Bond Review Board (board) to assist in financing privately owned public-purpose projects. H.B. 1901 adjusts the program with respect to the board granting reservations greater than \$25 million for single projects that qualify under the Texas Government Code. The change in the reservation adjustment cap from \$25 million to \$50 million is necessary to account for inflation since the original \$25 million cap was established a decade ago. The cost of construction for these types of projects typically exceeds \$25 million, thus oftentimes necessitating double financing for a single project.

### **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 1372.037(a), Government Code, to prohibit the Bond Review Board, except as provided by Subsection (b), before September 1, from granting for any single project a reservation for that year that is greater than \$50 million, rather \$25 million, if the issuer is any other issuer of bonds that require an allocation.

SECTION 2. Effective date: upon passage or the 91st day after adjournment.