

**Seventy-eighth Legislature Regular Session 2003
Summary of Bills of Interest**

1. TPFAs New Bond Issuance Authority

Bill No.	Author	Subject Matter	Effective Date
SB 14	Jackson	Insurance reform bill regulating rates, forms, and procedures. Article 11 includes authorizing TPFAs to issue up to \$75 million of revenue bonds for the FAIR Plan association to provide residential property insurance. The debt is to be paid from collections of a service fee assessed on all insurance companies writing residential property insurance in the state and the FAIR Plan association.	Signed June 11, 2003. Effective immediately except Arts. 6 and 9.
SJR 55	Shapleigh	Proposes an amendment to the constitution, adding Art. III, Sec. 49-n, authorizing up to \$250 million in general obligations to provide loans for economic development in defense communities. (This authorization is to be implemented by SB 652.)	Upon voter approval of ballot measure at September 13, 2003 election.
SB 652	Shapleigh	Establishes the Military Preparedness Commission in the Office of the Governor and requires a number of programs to assist defense communities to enhance the military value of military bases, including loans to such communities. The loans would be financed with proceeds of \$250 million of general obligation bonds to be issued by the TPFAs. Debt service on the bonds is to be paid with the communities' loan repayments.	Signed May 28, 2003. Effective immediately.
HB1, Art. IX, p. IX-87, Sec. 11.44	Appropriations Act Rider	Appropriates proceeds for the loans to defense communities and COI; requires debt service payment from loan repayments, but permits general revenue to be used for the debt service provided that loan repayments are sufficient to reimburse the general revenue.	September 1, 2003 election
SB 280	Nelson	Texas Workforce Commission's sunset bill. Art. 6 includes authority for TPFAs to issue revenue bonds at the request of the Workforce Commission to finance deficits in the unemployment compensation fund to a maximum of \$2 billion. The bonds will be paid from an assessment on employers.	Effective September 1, 2003, except for Article 6 which is effective June 20, 2003 (date signed by Governor).

HB 3324	Keffer	Also authorizes TPFAs to issue up to \$2 billion in revenue bonds to finance deficits in the unemployment compensation fund. The bonds will be paid from an assessment on employers.	Signed June 18, 2003. Effective immediately.
HB1, Art. IX, p. IX-82 Sec. 11.27(d)	Appropriations Act Rider	Authorizes TPFAs to issue revenue debt to finance TEA's lease purchase of textbooks for public schools in an estimated amount of \$200 million. The lease financing is to be repaid in FY 2005.	September 1, 2003

II. Bond Issuance Procedures

Bill No.	Author	Subject Matter	Effective Date
SB 876	Duncan	Provides that bond premium may be used to pay underwriting commission whether the sale is competitive or negotiated.	September 1, 2003
HB 1934	Capelo	Provides that an issuer may capitalize interest during construction, acquisition or improvement and one year thereafter; and deletes revenue restriction; specifies that bond premium may be used to pay debt service, or for an escrow, costs of issuance, or to pay other costs related to the purpose for which the bonds were issued; and expressly states that county and cities may repay tax anticipation notes from a combination of revenue and taxes, in addition to taxes or revenues.	Signed June 18, 2003. Effective immediately.

TPFA FINANCINGS APPROVED
By 78th Legislature

AGENCY	PROCEEDS		DEBT SERVICE		APPROPRIATION REFERENCE	COMMENTS/ PROJECT
	FY04	FY05	FY04	FY05		
GO BONDS (Tx. Const. Art. III, 50-f, Gov't. Code 1232.1115)						
Historical Commission	\$25,000,000	\$20,000,000	\$1,128,082*	\$2,025,000*	HB1,p.I-56, A.1.5	Courthouse Preservation *Estimated debt service in TPFA's appropriation
MHMR NEW	\$35,350,000	UB	\$1,000,000*	UB*	HB1, p.II-98,Sec.58	*Issuance must be limited to \$1,000,000 debt service for each fiscal year which must be reimbursed from MHMR GR appropriation.
UB from 77 th Leg. Authorized but not issued	\$6,900,000	UB			HB1,p.II-94,Sec.37	
TDH UB from 77 th Leg. Authorized but not issued	\$31,700,000*	UB	**	**	HB1,p.II-24,MOF	*HB1,p.II-40, Sec. 61 requires funds to be used to construct new facility at UTHSC San Antonio. **Debt service in TPFA's appropriation
TDCJ UB from 77 th Leg. Authorized but not issued	\$34,500,000	UB	**	**	HB1,p.V-14, MOF HB1,p.V-24,Sec.62	**Debt service in TPFA's appropriation
TBPC UB from 77 th Leg. Authorized but not issued	\$8,021,500	UB	**	**	HB1,p.I-19,MOF HB1,p.I-21, Sec. 3	**Debt service in TPFA's appropriation
SUBTOTAL	\$141,471,500	\$20,000,000	\$2,128,082	\$3,025,000		
Tx DOT-Colonia Roadway Projects (Tx. Const. Art. III-49-1, Gov't. Code, ch.1403)	\$70,000,000*	UB	**	**	N/A	*Of the total \$175 million authorized in November 2001, \$50,00,000 has been requested and approved for issuance, but only \$5 million has been issued, and only \$70,000,000 is expected to be issued in FY04-FY05. **Debt service in TPFA's appropriation
Military Preparedness Comm. SJR 55 & SB 652, Acts, 78 th Leg., (2003)	\$250,000,000	UB	\$17,815,068	UB	HB1, IX-87, Sec. 11.44	Contingent on voter approval of SJR 55 at September election. SB 652 effective date is May 28, 2003. Debt proceeds are to be used for loans to defense communities
TOTAL GO	\$461,471,500	\$20,000,000	----	----		

AGENCY	PROCEEDS		DEBT SERVICE		APPROPRIATION REFERENCE	COMMENTS/ PROJECT
	FY04	FY05	FY04	FY05		
REVENUE BONDS						
Texas Workforce Commission (Article 6, SB 280, Act, 78 th Leg., 2003)	\$2,000,000,000	UB	N/A	N/A	N/A	Revenue obligations are authorized to finance deficits in Unemployment Compensation Fund; debt service to be paid from special unemployment tax assessment on employers. Signed 6/20/03. Art. 6, Effective immediately.
TEA	\$200,000,000	0	\$5,013,699	\$200,000,000	HB1, p. IX-82, Sec.11.27(d)	TPFA is to issue revenue debt to finance TEA's lease-purchase of textbooks; the debt is to be fully paid in FY 05.
TMFC/Adj. Gen.	\$9,928,655	\$4,085,171	\$458,950	985,802	HB1,p.V-40, MOF	
TPWD	\$9,159,565	0	0	0	HB1, p.VI-33, MOF HB1, p. VI-38, Sec. 31.	Tx Parks & Wildlife Code Sec. 22.233, adopted in 2001, authorized revenue bonds for \$9 million to renovate the Nimitz Museum. These proceeds are included in TPWD's appropriation, but Rider 31 expresses the intent that debt service be raised from private contributions.
DHS	\$17,014,926	UB	\$4,186,754	UB	HB1, p. II-75, Sec. 30	Additional authorization for TIERS Project for which \$34,900,000 has previously been approved for MLPP financing.
FAIR Plan (Art. 11, SB 14, Acts, 78 th Leg. 2003)	\$75,000,000	UB	N/A	N/A	N/A	SB 14 authorizes revenue bonds for the FAIR Plan association's residential property insurance. Debt service is to be paid through a special tax on property insurers.
Total Revenue	\$ 2,311,103,146	\$ 4,085,171	\$ 9,659,403	\$200,985,802		