

By: Burrows, Bonnen, Middleton, et al.

H.B. No. 1869

Substitute the following for H.B. No. 1869:

By: Sanford

C.S.H.B. No. 1869

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the definition of debt for the purposes of calculating
3 certain ad valorem tax rates of a taxing unit.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 26.012, Tax Code, is amended by amending
6 Subdivision (7) and adding Subdivisions (9), (18-a), and (18-b) to
7 read as follows:

8 (7) "Debt" means:

9 (A) a bond, warrant, certificate of obligation,
10 or other evidence of indebtedness owed by a taxing unit that:

11 (i) is payable [~~solely~~] from property taxes
12 in installments over a period of more than one year, not budgeted
13 for payment from maintenance and operations funds, and secured by a
14 pledge of property taxes; and

15 (ii) meets one of the following
16 requirements:

17 (a) has been approved at an election;

18 (b) includes self-supporting debt;

19 (c) evidences a loan under a state or
20 federal financial assistance program;

21 (d) is issued for designated
22 infrastructure;

23 (e) is a refunding bond; or

24 (f) is issued in response to an

1 emergency under Section 1431.015, Government Code;~~[7]~~ or

2 (B) a payment made under contract to secure
3 indebtedness of a similar nature issued by another political
4 subdivision on behalf of the taxing unit.

5 (9) "Designated infrastructure" means infrastructure,
6 including a facility or equipment, for the following purposes:

7 (A) streets, roads, or highways;

8 (B) telecommunications;

9 (C) cyber security; or

10 (D) as part of any utility system, water supply
11 project, water plant, wastewater plant, water and wastewater
12 distribution or conveyance facility, wharf, dock, or flood control,
13 and drainage project.

14 (18-a) "Refunding bond" means a bond or other
15 obligation issued for refunding or refinancing purposes under
16 Chapter 1207 or 1371, Government Code.

17 (18-b) "Self-supporting debt" means the portion of a
18 bond, warrant, certificate of obligation, or other evidence of
19 indebtedness described by Subdivision (7)(A)(i) designated by the
20 governing body of a political subdivision as being repaid from a
21 source other than property taxes.

22 SECTION 2. The changes in law made by this Act apply only to
23 a bond, warrant, certificate of obligation, or other evidence of
24 indebtedness for which the ordinance, order, or resolution
25 authorizing issuance was adopted by the governing body of the
26 taxing unit on or after the effective date of this Act.

27 SECTION 3. This Act takes effect September 1, 2021.