

By: Burrows

H.B. No. 1869

A BILL TO BE ENTITLED

AN ACT

1
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(7), Tax Code, is amended to read
6 as follows:

7 (7) "Debt" means a bond, warrant, certificate of
8 obligation, or other evidence of indebtedness owed by a taxing unit
9 that has been approved at an election and is payable solely from
10 property taxes in installments over a period of more than one year,
11 not budgeted for payment from maintenance and operations funds, and
12 secured by a pledge of property taxes, or a payment made under
13 contract to secure indebtedness of a similar nature issued by
14 another political subdivision on behalf of the taxing unit.

15 SECTION 2. The change in law made by this Act applies only
16 to a bond, warrant, certificate of obligation, or other evidence of
17 indebtedness for which the ordinance, order, or resolution
18 authorizing issuance was adopted by the governing body of the
19 taxing unit on or after the effective date of this Act.

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