

1-1 By: Burrows, et al. (Senate Sponsor - Bettencourt) H.B. No. 1869  
 1-2 (In the Senate - Received from the House May 6, 2021;  
 1-3 May 10, 2021, read first time and referred to Committee on Local  
 1-4 Government; May 22, 2021, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 5, Nays 2;  
 1-6 May 22, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Bettencourt	X			
1-9 Menéndez		X		
1-10 Eckhardt		X		
1-11 Gutierrez			X	
1-12 Hall	X			
1-13 Nichols	X			
1-14 Paxton	X			
1-15 Springer	X			
1-16 Zaffirini			X	

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 1869 By: Bettencourt

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the definition of debt for the purposes of calculating  
 1-22 certain ad valorem tax rates of a taxing unit.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 26.012, Tax Code, is amended by amending  
 1-25 Subdivision (7) and adding Subdivisions (9), (18-a), and (18-b) to  
 1-26 read as follows:

1-27 (7) "Debt" means:

1-28 (A) a bond, warrant, certificate of obligation,  
 1-29 or other evidence of indebtedness owed by a taxing unit that:

1-30 (i) is payable ~~solely~~ from property taxes  
 1-31 in installments over a period of more than one year, not budgeted  
 1-32 for payment from maintenance and operations funds, and secured by a  
 1-33 pledge of property taxes; and

1-34 (ii) meets one of the following  
 1-35 requirements:

1-36 (a) has been approved at an election;

1-37 (b) includes self-supporting debt;

1-38 (c) evidences a loan under a state or  
 1-39 federal financial assistance program;

1-40 (d) is issued for designated  
 1-41 infrastructure;

1-42 (e) is a refunding bond;

1-43 (f) is issued in response to an  
 1-44 emergency under Section 1431.015, Government Code;

1-45 (g) is issued for renovating,  
 1-46 improving, or equipping existing buildings or facilities;

1-47 (h) is issued for vehicles or  
 1-48 equipment; or

1-49 (i) is issued for a project under  
 1-50 Chapter 311, Tax Code, or Chapter 222, Transportation Code, that is  
 1-51 located in a reinvestment zone created under one of those  
 1-52 chapters; [7] or

1-53 (B) a payment made under contract to secure  
 1-54 indebtedness of a similar nature issued by another political  
 1-55 subdivision on behalf of the taxing unit.

1-56 (9) "Designated infrastructure" means infrastructure,  
 1-57 including a facility, equipment, rights-of-way, or land, for the  
 1-58 following purposes:

1-59 (A) streets, roads, highways, bridges,  
 1-60 sidewalks, parks, landfills, or airports;

2-1 (B) telecommunications, wireless  
2-2 communications, information technology systems, applications,  
2-3 hardware, or software;

2-4 (C) cybersecurity;

2-5 (D) as part of any utility system, water supply  
2-6 project, water plant, wastewater plant, water and wastewater  
2-7 distribution or conveyance facility, wharf, dock, or flood control  
2-8 and drainage project;

2-9 (E) as part of any school district;

2-10 (F) as part of any hospital district created by  
2-11 general or special law that includes a teaching hospital; or

2-12 (G) police stations, fire stations, or other  
2-13 public safety facilities, jails, juvenile detention facilities, or  
2-14 judicial facilities.

2-15 (18-a) "Refunding bond" means a bond or other  
2-16 obligation issued for refunding or refinancing purposes under  
2-17 Chapter 1207 or 1371, Government Code.

2-18 (18-b) "Self-supporting debt" means the portion of a  
2-19 bond, warrant, certificate of obligation, or other evidence of  
2-20 indebtedness described by Subdivision (7)(A)(i) designated by the  
2-21 governing body of a political subdivision as being repaid from a  
2-22 source other than property taxes.

2-23 SECTION 2. The changes in law made by this Act apply only to  
2-24 a bond, warrant, certificate of obligation, or other evidence of  
2-25 indebtedness for which the ordinance, order, or resolution  
2-26 authorizing issuance was adopted by the governing body of the  
2-27 taxing unit on or after the effective date of this Act.

2-28 SECTION 3. This Act takes effect September 1, 2021.

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