

AN ACT

relating to commissions on certain negotiated bond sales.

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

SECTION 1. Subchapter B, Chapter 1201, Government Code, is amended by adding Section 1201.029 to read as follows:

Sec. 1201.029. COMMISSIONS NOT TO BE PAID FROM PRINCIPAL.

In a public or private sale of public securities the principal amount of which is limited by law, by voted authorization, or by other means, for purposes of determining whether the principal amount of the public securities that are issued exceeds the limitation, amounts produced by the initial purchaser through market pricing of the public securities when the public securities are resold by the initial purchaser are not considered proceeds of the issuer if the amounts constitute all or part of the compensation of the initial purchaser.

SECTION 2. (a) This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(b) Section 1201.029, Government Code, as added by this Act, applies to bonds approved by voters before the effective date of this Act if the bonds are issued on or after the effective date of this Act.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 876 passed the Senate on April 22, 2003, by a viva-voce vote; and that the Senate concurred in House amendment on May 29, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 876 passed the House, with amendment, on May 24, 2003, by the following vote: Yeas 115, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor