

By: Duncan

S.B. No. 876

A BILL TO BE ENTITLED

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 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.