

1-1 By: Duncan S.B. No. 876
1-2 (In the Senate - Filed March 5, 2003; March 11, 2003, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 10, 2003, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 10, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to commissions on certain negotiated bond sales.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Subchapter B, Chapter 1201, Government Code, is
1-11 amended by adding Section 1201.029 to read as follows:

1-12 Sec. 1201.029. COMMISSIONS NOT TO BE PAID FROM PRINCIPAL.
1-13 In a public or private sale of public securities the principal
1-14 amount of which is limited by law, by voted authorization, or by
1-15 other means, for purposes of determining whether the principal
1-16 amount of the public securities that are issued exceeds the
1-17 limitation, amounts produced by the initial purchaser through
1-18 market pricing of the public securities when the public securities
1-19 are resold by the initial purchaser are not considered proceeds of
1-20 the issuer if the amounts constitute all or part of the compensation
1-21 of the initial purchaser.

1-22 SECTION 2. (a) This Act takes effect September 1, 2003.

1-23 (b) Section 1201.029, Government Code, as added by this Act,
1-24 applies to bonds approved by voters before the effective date of
1-25 this Act if the bonds are issued on or after the effective date of
1-26 this Act.

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