

By: Castro

H.B. No. 1232

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the payment of certain expenses of a public project
3 financed by certificates of obligation.

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

5 SECTION 1. Section 271.045, Local Government Code, is
6 amended by adding Subsection (e) to read as follows:

7 (e) Work done by employees of the issuer and paid for as work
8 progresses may be allocated or attributed, under generally accepted
9 accounting principles, to the capital costs of the project.

10 SECTION 2. Section 271.050(b), Local Government Code, is
11 amended to read as follows:

12 (b) The proceeds may be used only for the purposes for which
13 the certificates were authorized. [~~The proceeds may not be used to~~
14 ~~pay for work done by employees of the issuer and paid for as work~~
15 ~~progresses.~~] Any accrued interest received must be deposited in
16 the interest and sinking fund established for the payment of the
17 certificates.

18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2005.