

By: Shapiro

S.B. No. 881

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on the issuance of tax-supported bonds by a school district.

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

SECTION 1. Section 45.0031, Education Code, is amended by adding Subsection (f) to read as follows:

(f) Before issuing bonds described by Section 45.001, in lieu of demonstrating to the attorney general the ability to comply with Subsection (a), a school district may demonstrate to the attorney general that:

(1) the district's current tax rate for all bonds issued under Section 45.001 is less than \$0.50 per \$100 of valuation; and

(2) the aggregate principal amount of tax bond indebtedness of the district after the proposed issuance would not exceed 10 percent of the assessed valuation of taxable property in the district according to the most recent certified ad valorem tax rolls of the district.

SECTION 2. Section 45.0031(f), Education Code, as added by this Act, applies only to bonds that are submitted to the attorney general for approval on or after the effective date of this Act. Bonds that are submitted to the attorney general for approval before the effective date of this Act are governed by the law in effect on the date the bonds are submitted to the attorney general,

1 and the former law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2007.