

By: Shapiro

S.B. No. 587

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of school districts for state assistance with payment of existing debt.

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

SECTION 1. Section 46.033, Education Code, is amended to read as follows:

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the bonds during the 2008-2009 [~~2006-2007~~] school year or taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year; and

(2) the district does not receive state assistance under Subchapter A for payment of the principal and interest on the bonds.

SECTION 2. Section 46.034(c), Education Code, is amended to read as follows:

(c) If the amount required to pay the principal of and interest on eligible bonds in a school year is less than the amount of payments made by the district on the bonds during the 2008-2009 [~~2006-2007~~] school year or the district's audited debt service collections for that school year, the district may not receive aid

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1 in excess of the amount that, when added to the district's local
2 revenue for the school year, equals the amount required to pay the
3 principal of and interest on the bonds.

4 SECTION 3. This Act takes effect September 1, 2009.