

By: Davis of Dallas

H.B. No. 782

A BILL TO BE ENTITLED

AN ACT

relating to a requirement that certain bond issuers obtain an appraisal of property that is to be purchased with bond proceeds.

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

SECTION 1. Subchapter A, Chapter 1331, Government Code, is amended by adding Section 1331.003 to read as follows:

Sec. 1331.003. APPRAISAL REQUIRED BEFORE ISSUANCE OF BONDS TO FINANCE PURCHASE OF PROPERTY. A municipality may not issue bonds the proceeds of which are intended to be used wholly or partly to purchase property until the municipality obtains an independent appraisal of the property's market value.

SECTION 2. Subchapter C, Chapter 505, Local Government Code, is amended by adding Section 505.1041 to read as follows:

Sec. 505.1041. APPRAISAL REQUIRED BEFORE ISSUANCE OF BONDS TO FINANCE PURCHASE OF PROPERTY. A Type B corporation may not issue bonds the proceeds of which are intended to be used wholly or partly to purchase property for a project until the corporation obtains an independent appraisal of the property's market value.

SECTION 3. The changes in law made by Section 1331.003, Government Code, and Section 505.1041, Local Government Code, as added by this Act, apply only to bonds issued on or after the effective date of this Act. Bonds issued before the effective date of this Act are governed by the law in effect when the bonds were issued, and the former law is continued in effect for that purpose.

1           SECTION 4.   This Act takes effect September 1, 2011.