

By: Ritter

H.B. No. 1732

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.

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

SECTION 1. Section 17.003, Water Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) In requesting approval for the issuance of bonds under this chapter, the executive administrator shall certify to the bond review board the debt service on the bonds that is reasonably expected to be paid from:

(1) the general revenues of the state; and

(2) revenue sources other than the general revenues of the state.

(d) The bond review board shall determine the portion of the debt service on bonds to be issued by the board under this chapter that is state debt payable from the general revenues of the state, in accordance with the findings made by the board in the resolution authorizing the issuance of the bonds and the certification provided by the executive administrator under Subsection (c).

(e) Bonds issued under this chapter that are designed to be paid from the general revenues of the state shall cease to be considered bonds payable from those revenues if:

(1) the bonds are backed by insurance or another form

1 of guarantee that ensures payment from a source other than the  
2 general revenues of the state; or

3 (2) the board demonstrates to the satisfaction of the  
4 bond review board that the bonds no longer require payment from the  
5 general revenues of the state and the bond review board so certifies  
6 to the Legislative Budget Board.

7 SECTION 2. This Act takes effect September 1, 2011.