

By: Cortez

H.B. No. 1959

A BILL TO BE ENTITLED

AN ACT

relating to the retirement of certain state debt.

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

SECTION 1. Chapter 1231, Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. DEBT RETIREMENT FUND AND PROGRAM

Sec. 1231.151. DEFINITIONS. In this subchapter:

(1) "Fund" means the debt retirement fund.

(2) "Office" means the bond finance office.

Sec. 1231.152. DEBT RETIREMENT FUND. (a) The debt retirement fund is a special fund in the state treasury outside the general revenue fund.

(b) The fund consists of money transferred to the fund at the direction of the legislature and any gift or grant made to the board for the purposes of the fund.

(c) Money may be appropriated from the fund only for the purpose of calling or purchasing for the purpose of retiring a public security evidencing a state debt other than a self-supporting debt.

Sec. 1231.153. FUND ADMINISTRATION. (a) The fund is administered by the board in coordination with the office.

(b) The board may authorize the comptroller to disburse money from the fund in any amount or manner necessary to achieve the purposes of this subchapter.

1       Sec. 1231.154. CALLING PUBLIC SECURITIES; PURCHASES FOR  
2 RETIREMENT. (a) The board in coordination with the office each  
3 fiscal year shall estimate:

4               (1) the net present value of the savings to the state  
5 that would result from calling all outstanding public securities  
6 evidencing state debts other than self-supporting debts that are  
7 eligible to be called during that fiscal year; and

8               (2) the costs of calling those public securities  
9 during that fiscal year.

10       (b) The comptroller shall disburse money from the fund in  
11 the proper amounts to the proper persons for cash defeasances of  
12 public securities as the board directs. The board shall prioritize  
13 cash defeasance of public securities that have the highest ratio of  
14 net present value savings to cost of the defeasance.

15       (c) The board in coordination with the office may direct the  
16 comptroller to disburse money from the fund to purchase on the open  
17 market outstanding public securities evidencing state debts other  
18 than self-supporting debts if the board determines that the ratio  
19 of net present value savings to cost of purchase represents a  
20 greater benefit to this state than retiring public securities as  
21 provided by Subsection (b). The comptroller shall hold a public  
22 security purchased under this subsection in the state treasury and  
23 direct the payments on the bonds to the general revenue fund.

24       SECTION 2. This Act takes effect September 1, 2013.