

By: Flynn

H.B. No. 3416

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a prohibition on the issuance of capital appreciation
3 bonds by local governments.

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

5 SECTION 1. Subchapter B, Chapter 1201, Government Code, is
6 amended by adding Section 1201.0245 to read as follows:

7 Sec. 1201.0245. CAPITAL APPRECIATION BONDS BY LOCAL
8 GOVERNMENTS PROHIBITED. A county, municipality, special district,
9 school district, junior college district, or other political
10 subdivision of the state may not issue capital appreciation bonds.

11 SECTION 2. The change in law made by this Act does not
12 affect the validity of capital appreciation bonds issued before the
13 effective date of this Act.

14 SECTION 3. This Act takes effect September 1, 2013.