

1-1 By: Hinojosa S.B. No. 449
1-2 (In the Senate - Filed February 8, 2013; February 13, 2013,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 3, 2013, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 3, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hinojosa	X		
1-10	Nichols	X		
1-11	Garcia	X		
1-12	Paxton	X		
1-13	Taylor	X		

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 449 By: Hinojosa

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to a prohibition on the issuance of certain capital
1-18 appreciation bonds by local governments.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Subchapter B, Chapter 1201, Government Code, is
1-21 amended by adding Section 1201.0245 to read as follows:

1-22 Sec. 1201.0245. CAPITAL APPRECIATION BONDS BY LOCAL
1-23 GOVERNMENTS PROHIBITED. (a) In this section, "capital
1-24 appreciation bond" means a bond that accrues and compounds interest
1-25 from its date of delivery, the interest on which by its terms is
1-26 payable only upon maturity or prior redemption.

1-27 (b) A county, municipality, special district, school
1-28 district, junior college district, or other political subdivision
1-29 of the state may not issue capital appreciation bonds that are
1-30 secured by ad valorem taxes.

1-31 (c) Subsection (b) does not apply to the issuance of
1-32 refunding bonds under Chapter 1207, Government Code.

1-33 (d) Subsection (b) does not apply to the issuance of capital
1-34 appreciation bonds for the purpose of financing transportation
1-35 projects.

1-36 SECTION 2. The change in law made by this Act does not
1-37 affect the validity of capital appreciation bonds issued before the
1-38 effective date of this Act.

1-39 SECTION 3. This Act takes effect September 1, 2013.

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