

Amend CSHB 506 (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 45.001, Education Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (d) to read as follows:

(b) The bonds must mature serially or otherwise not more than 40 years from their date, except that if the expected useful life of the asset acquired with bond proceeds is less than 40 years the bonds must mature serially or otherwise not later than the last year of the expected useful life of the acquired asset. The bonds may be made redeemable before maturity.

(b-1) For purposes of Subsection (b), the expected useful life of an asset is determined based on the depreciable life of the asset under the Internal Revenue Code of 1986.

(d) Interest earned on bond proceeds may be used only to pay the principal of and interest on the bonds.

SECTION _____. (a) Except as provided by Subsection (b) of this section, this Act applies only to bonds authorized by voters on or after the effective date of this Act.

(b) Section 45.001(d), Education Code, as added by this Act, applies to interest that accrues on bond proceeds on or after the effective date of this Act, regardless of the date on which the bonds were authorized or issued.