

By: Hancock

S.B. No. 794

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a political subdivision to issue debt to purchase or lease tangible personal property.

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

SECTION 1. Subtitle C, Title 9, Government Code, is amended by adding Chapter 1253 to read as follows:

CHAPTER 1253. LIMITATION ON AUTHORITY TO ISSUE PUBLIC SECURITIES  
FOR CERTAIN PURPOSES

Sec. 1253.001. DEFINITIONS. In this chapter:

(1) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

(2) "Public security" has the meaning assigned by Section 1201.002.

Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE PUBLIC SECURITY FOR TANGIBLE PERSONAL PROPERTY. A political subdivision may not issue a public security to purchase or lease tangible personal property if the expected useful life of the property ends before the maturity date of the public security.

SECTION 2. This Act takes effect September 1, 2015.