

By: Lucio

S.B. No. 1568

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of interest-bearing time warrants by school districts.

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

SECTION 1. Sections 45.103(a) and (c), Education Code, are amended to read as follows:

(a) Any school district in need of funds to construct, repair, or renovate school buildings, purchase school buildings and school equipment, or equip school properties with necessary heating, water, sanitation, lunchroom, or electric facilities or in need of funds with which to employ a person who has special skill and experience to compile taxation data and that is financially unable out of available funds to construct, repair, renovate, or purchase school buildings, purchase school equipment, or equip school properties with necessary heating, water, sanitation, lunchroom, or electric facilities or is unable to pay the person for compiling taxation data, may, subject to this section, issue interest-bearing time warrants, in amounts sufficient to construct, purchase, equip, or improve school buildings and facilities or to pay all or part of the compensation of the person to compile taxation data, any law to the contrary notwithstanding. The warrants shall mature in serial installments of not more than 20 [~~15~~] years from their date of issue. The warrants on maturity may be payable out of any available funds of the school district in the

1 order of their maturity dates. Any interest-bearing time warrants
2 may be issued and sold by the district for not less than their face
3 value, and the proceeds used to provide funds required for the
4 purpose for which they are issued. The warrants shall be entitled
5 to first payment out of any available funds of the district as they
6 become due. Included in the purposes for which interest-bearing
7 time warrants may be issued is the payment of any amounts owed by
8 the school district that were [~~was~~] incurred in carrying out any of
9 those purposes.

10 (c) A school district may not issue interest-bearing time
11 warrants in excess of five percent of the assessed valuation of the
12 district for the year in which the warrants are issued. The payment
13 of interest-bearing time warrants in any one year may not exceed the
14 anticipated surplus income of the district for the year in which the
15 warrants are issued, based on the budget of the district for that
16 year. The anticipated income computed under this section is
17 exclusive of all bond taxes. A school district may not have
18 outstanding at any one time warrants totaling in excess of \$2 [~~\$1~~]
19 million under this section.

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