86R2043 MEW-D

By:  Middleton H.B. No. 3130

A BILL TO BE ENTITLED

AN ACT

relating to federal refundable credits paid directly to issuers of certain bonds issued by or on behalf of school districts or open-enrollment charter schools.

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

SECTION 1.  Subchapter E, Chapter 45, Education Code, is amended by adding Section 45.114 to read as follows:

Sec. 45.114.  DEPOSIT OF DIRECT PAY SUBSIDIES ON CERTAIN FEDERAL TAX CREDIT BONDS. (a) This section applies only to bonds:

(1)  that were issued as:

(A)  build America bonds in accordance with former Section 54AA, Internal Revenue Code of 1986, as added by Section 1531(a), Title I, Division B, American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5);

(B)  qualified school construction bonds in accordance with Section 54F, Internal Revenue Code of 1986, as added by Section 1521(a), Title I, Division B, American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5); or

(C)  qualified zone academy bonds in accordance with Section 54E, Internal Revenue Code of 1986, as added by Section 313(a), Title III, Division C, Emergency Economic Stabilization Act of 2008 (Pub. L. No. 110-343); and

(2)  for which a school district or open-enrollment charter school elected to receive a federal refundable tax credit in accordance with:

(A)  for bonds described by Subdivision (1)(A), former Section 54AA(f), Internal Revenue Code of 1986; or

(B)  for bonds described by Subdivision (1)(B) or (C), former Section 6431, Internal Revenue Code of 1986.

(b)  A school district or open-enrollment charter school shall deposit a federal refundable tax credit payment described by Subsection (a)(2) and received in connection with a bond issued by or on behalf of the school district or open-enrollment charter school to the credit of the interest and sinking fund established for that bond.

SECTION 2.  This Act takes effect September 1, 2019.