By: Middleton

H.B. No. 3130

A BILL TO BE ENTITLED

1   AN ACT

2 relating to federal refundable credits paid directly to issuers of

3 certain bonds issued by or on behalf of school districts or

4 open-enrollment charter schools.

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

6   SECTION 1. Subchapter E, Chapter 45, Education Code, is

7 amended by adding Section 45.114 to read as follows:

8   Sec. 45.114. DEPOSIT OF DIRECT PAY SUBSIDIES ON CERTAIN

9 FEDERAL TAX CREDIT BONDS. (a) This section applies only to bonds:

10   (1) that were issued as:

11   (A) build America bonds in accordance with former

12 Section 54AA, Internal Revenue Code of 1986, as added by Section

13 1531(a), Title I, Division B, American Recovery and Reinvestment

14 Act of 2009 (Pub. L. No. 111-5);

15   (B) qualified school construction bonds in

16 accordance with Section 54F, Internal Revenue Code of 1986, as

17 added by Section 1521(a), Title I, Division B, American Recovery

18 and Reinvestment Act of 2009 (Pub. L. No. 111-5); or

19   (C) qualified zone academy bonds in accordance

20 with Section 54E, Internal Revenue Code of 1986, as added by Section

21 313(a), Title III, Division C, Emergency Economic Stabilization Act

22 of 2008 (Pub. L. No. 110-343); and

23   (2) for which a school district or open-enrollment

24 charter school elected to receive a federal refundable tax credit

1 in accordance with:

2   (A) for bonds described by Subdivision (1)(A),

3 former Section 54AA(f), Internal Revenue Code of 1986; or

4   (B) for bonds described by Subdivision (1)(B) or

5 (C), former Section 6431, Internal Revenue Code of 1986.

6   (b) A school district or open-enrollment charter school

7 shall deposit a federal refundable tax credit payment described by

8 Subsection (a)(2) and received in connection with a bond issued by

9 or on behalf of the school district or open-enrollment charter

10 school to the credit of the interest and sinking fund established

11 for that bond.

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