87R4691 TJB-F

By:  Burrows H.B. No. 1869

A BILL TO BE ENTITLED

AN ACT

relating to the definition of debt for the purposes of calculating certain ad valorem tax rates of a taxing unit.

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

SECTION 1.  Section 26.012(7), Tax Code, is amended to read as follows:

(7)  "Debt" means a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that has been approved at an election and is payable solely from property taxes in installments over a period of more than one year, not budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes, or a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

SECTION 2.  The change in law made by this Act applies only to a bond, warrant, certificate of obligation, or other evidence of indebtedness for which the ordinance, order, or resolution authorizing issuance was adopted by the governing body of the taxing unit on or after the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2021.