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.