

House Bill 1869
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 26.012, Tax Code, is amended by amending Subdivision (7) and adding Subdivisions (9), (18-a), and (18-b) to read as follows:

(7) "Debt" means:

(A) a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that:

(i) 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; and

(ii) meets one of the following requirements:

(a) has been approved at an election;

(b) includes self-supporting debt;

(c) evidences a loan under a state or federal financial assistance program;

(d) is issued for designated infrastructure;

(e) is a refunding bond;

(f) is issued in response to an emergency under Section 1431.015, Government Code;

(g) is issued for renovating, improving, or equipping existing buildings or facilities;

(h) is issued for vehicles or equipment; or

(i) is issued for a project under Chapter 311, Tax Code, or Chapter 222, Transportation Code, that is located in a reinvestment zone created under one of those chapters;[5] or

(B) a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

(9) "Designated infrastructure" means:

(A) infrastructure, including a facility, equipment, rights-of-way, or land, for the following purposes:

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(B) a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

(9) "Designated infrastructure" means infrastructure, including a facility, equipment, rights-of-way, or land, for the following purposes:

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- (i) streets, roads, highways, bridges, sidewalks, parks, landfills, parking structures, or airports;
- (ii) telecommunications, wireless communications, information technology systems, applications, hardware, or software;
- (iii) cybersecurity;
- (iv) as part of any utility system, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, or flood control and drainage project;
- (v) police stations, fire stations, or other public safety facilities, jails, juvenile detention facilities, or judicial facilities, and any facilities that are physically attached to the facilities described by this subparagraph;
- (vi) as part of any school district; or
- (vii) as part of any hospital district created by general or special law that includes a teaching hospital;
(See SECTION 1 - Sec. 26.012(9)(A)(v) above.)

(B) emergency vehicles for police, fire, or emergency medical services;

(C) maintenance vehicles; or

(D) heavy equipment or machinery.

(18-a) "Refunding bond" means a bond or other obligation issued for refunding or refinancing purposes under Chapter 1207 or 1371, Government Code.

(18-b) "Self-supporting debt" means the portion of a bond, warrant, certificate of obligation, or other evidence of indebtedness described by Subdivision (7)(A)(i) designated by

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- (A) streets, roads, highways, bridges, sidewalks, parks, landfills, or airports;
- (B) telecommunications, wireless communications, information technology systems, applications, hardware, or software;
- (C) cybersecurity;
- (D) as part of any utility system, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, or flood control and drainage project;
(See SECTION 1 - Sec. 26.012(9)(G) below.)

(E) as part of any school district;

(F) as part of any hospital district created by general or special law that includes a teaching hospital; or

(G) police stations, fire stations, or other public safety facilities, jails, juvenile detention facilities, or judicial facilities.

(18-a) "Refunding bond" means a bond or other obligation issued for refunding or refinancing purposes under Chapter 1207 or 1371, Government Code.

(18-b) "Self-supporting debt" means the portion of a bond, warrant, certificate of obligation, or other evidence of indebtedness described by Subdivision (7)(A)(i) designated by

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the governing body of a political subdivision as being repaid from a source other than property taxes.

SECTION 2. Chapter 26, Tax Code, is amended by adding Section 26.014 to read as follows:

Sec. 26.014. DEBT FOR CERTAIN TAXING UNITS. (a)

This section applies only to:

(1) a county with a population of at least 1.7 million that contains a municipality in which at least 75 percent of the county's population resides;

(2) a county with a population of more than one million and less than 1.5 million;

(3) a county with a population of more than 800,000 and less than 1 million;

(4) a county with a population of more than 64,750 and less than 65,000;

(5) a county with a population of more than 40,000 and less than 41,000;

(6) a county with a population of more than 30,500 and less than 32,250;

(7) a county with a population of more than 320,000 and less than 400,000 that:

(A) does not border the United Mexican States; and

(B) in which a port authority is authorized to issue permits for oversize or overweight vehicles under Chapter 623, Transportation Code;

(8) a municipality with a population of more than 150,000 and less than 200,000 that is partially located in a county with a population of 1.8 million or more; and

(9) a taxing unit any part of which is located in a county to which this section applies.

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the governing body of a political subdivision as being repaid from a source other than property taxes.

No equivalent provision.

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(b) In this chapter, "debt" means a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that 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 3. The changes in law made by this Act apply only to a bond, warrant, certificate of obligation, or other evidence of indebtedness for which the ordinance, order, or resolution authorizing the issuance is adopted by the governing body of a taxing unit on or after the effective date of this Act and for which the taxing unit has not entered into a binding agreement before the effective date of this Act that contemplates the issuance of the debt. The changes in law made by this Act do not apply to a bond, warrant, certificate of obligation, or other evidence of indebtedness for which the ordinance, order, or resolution authorizing the issuance was adopted by the governing body of a taxing unit before the effective date of this Act or for which the taxing unit has entered into a binding agreement before the effective date of this Act that contemplates the issuance of such debt, and the former law is continued in effect for that purpose. For the purposes of this section, "binding agreement" includes a development agreement, ordinance, order, or resolution that authorizes or delegates to an appropriate officer of a taxing unit the execution of a binding agreement at a later date.

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SECTION 2. The changes in law made by this Act apply 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.

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SECTION 4. This Act takes effect September 1, 2021.

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SECTION 3. Same as House version.

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