

By: Schofield

H.B. No. 451

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a political subdivision to issue debt to purchase or lease tangible personal property.

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

SECTION 1. The heading to Chapter 1253, Government Code, is amended to read as follows:

CHAPTER 1253. PUBLIC SECURITIES [~~GENERAL OBLIGATION BONDS~~]
ISSUED BY POLITICAL SUBDIVISIONS

SECTION 2. Section 1253.001, Government Code, is amended to read as follows:

Sec. 1253.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Political [~~political~~] subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

(2) "Public security" has the meaning assigned by Section 1201.002.

SECTION 3. Chapter 1253, Government Code, is amended by adding Section 1253.0015 to read as follows:

Sec. 1253.0015. LIMITATION ON AUTHORITY TO ISSUE PUBLIC SECURITY FOR TANGIBLE PERSONAL PROPERTY. A political subdivision may not issue a public security to purchase or lease tangible personal property if the expected useful life of the property ends before the maturity date of the public security.

SECTION 4. Section 1253.002, Government Code, is amended to

1 read as follows:

2 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL
3 OBLIGATION BONDS FOR IMPROVEMENTS TO REAL PROPERTY. [~~(a) In this~~
4 ~~section, "personal property" has the meaning assigned by Section~~
5 ~~1.04, Tax Code.~~

6 [~~(b)~~] Notwithstanding any other provision of law, a
7 political subdivision may not issue general obligation bonds to
8 purchase, improve, or construct one or more improvements to real
9 property [~~, to purchase one or more items of personal property, or~~
10 ~~to do both,~~] if the weighted average maturity of the issue of bonds
11 exceeds 120 percent of the reasonably expected weighted average
12 economic life of the improvements [~~and personal property~~] financed
13 with the issue of bonds.

14 SECTION 5. This Act takes effect September 1, 2023.