

1-1 By: Sparks S.B. No. 561  
 1-2 (In the Senate - Filed January 23, 2023; February 17, 2023,  
 1-3 read first time and referred to Committee on Local Government;  
 1-4 April 19, 2023, reported favorably by the following vote: Yeas 6,  
 1-5 Nays 2; April 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10		X		
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16		X		

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the authority of a political subdivision to issue debt  
 1-20 to purchase or lease tangible personal property.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Chapter 1253, Government Code, is  
 1-23 amended to read as follows:

1-24 CHAPTER 1253. PUBLIC SECURITIES [~~GENERAL OBLIGATION BONDS~~]  
 1-25 ISSUED BY POLITICAL SUBDIVISIONS

1-26 SECTION 2. Section 1253.001, Government Code, is amended to  
 1-27 read as follows:

1-28 Sec. 1253.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

1-29 (1) "Political [~~political~~] subdivision" means a  
 1-30 county, municipality, school district, junior college district,  
 1-31 other special district, or other subdivision of state government.

1-32 (2) "Public security" has the meaning assigned by  
 1-33 Section 1201.002.

1-34 SECTION 3. Chapter 1253, Government Code, is amended by  
 1-35 adding Section 1253.0015 to read as follows:

1-36 Sec. 1253.0015. LIMITATION ON AUTHORITY TO ISSUE PUBLIC  
 1-37 SECURITY FOR TANGIBLE PERSONAL PROPERTY. A political subdivision  
 1-38 may not issue a public security to purchase or lease tangible  
 1-39 personal property if the expected useful life of the property ends  
 1-40 before the maturity date of the public security.

1-41 SECTION 4. Section 1253.002, Government Code, is amended to  
 1-42 read as follows:

1-43 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL  
 1-44 OBLIGATION BONDS FOR IMPROVEMENTS TO REAL PROPERTY. [~~(a) In this~~  
 1-45 ~~section, "personal property" has the meaning assigned by Section~~  
 1-46 ~~1.04, Tax Code.~~

1-47 [~~(b)~~] Notwithstanding any other provision of law, a  
 1-48 political subdivision may not issue general obligation bonds to  
 1-49 purchase, improve, or construct one or more improvements to real  
 1-50 property [~~to purchase one or more items of personal property, or~~  
 1-51 ~~to do both,~~] if the weighted average maturity of the issue of bonds  
 1-52 exceeds 120 percent of the reasonably expected weighted average  
 1-53 economic life of the improvements [~~and personal property~~] financed  
 1-54 with the issue of bonds.

1-55 SECTION 5. This Act takes effect September 1, 2023.

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