

By: Tepper

H.B. No. 49

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on the use of certain ad valorem tax revenue for the payment of public securities.

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

SECTION 1. Section 26.07, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) Notwithstanding any other law, an increase in a taxing unit's maintenance and operations tax revenue derived from an election under this section may not be used or transferred to an entity acting on behalf of the taxing unit, including a local government corporation, to repay a public security in installment payments or otherwise.

SECTION 2. The heading to Chapter 1253, Government Code, is amended to read as follows:

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

SECTION 3. Chapter 1253, Government Code, is amended by adding Section 1253.004 to read as follows:

Sec. 1253.004. LIMITATION ON AUTHORITY TO USE AD VALOREM TAX REVENUE TO PAY PUBLIC SECURITIES. (a) In this section, "public security" has the meaning assigned by Section 1201.002.

(b) A municipality, county, or entity acting on behalf of a municipality or county, including a local government corporation, may not dedicate, pledge, or otherwise use revenue subject to

1 annual appropriation and derived wholly or partly from ad valorem
2 taxes from an election under Chapter 26, Tax Code, for payment of a
3 public security, including revenue transferred to a local
4 government corporation to secure or make payments on a public
5 security.

6 SECTION 4. Section 1253.004, Government Code, as added by
7 this Act, applies only to a public security as defined by that
8 section issued on or after the effective date of this Act.

9 SECTION 5. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect on the 91st day after the last day of the
14 legislative session.