

By: Leo Wilson

H.B. No. 140

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on the authority of political subdivisions
to issue public securities.

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

SECTION 1. Subchapter A, Chapter 1201, Government Code, is
amended by adding Section 1201.006 to read as follows:

Sec. 1201.006. LIMIT ON LOCAL GOVERNMENT DEBT.
Notwithstanding any other law, including a provision in a municipal
charter, a political subdivision may not authorize additional debt
if the resulting annual debt service exceeds the limitation imposed
by this section. The maximum annual debt service in any fiscal year
on debt payable from property taxes may not exceed 10 percent of the
amount equal to the average of the amount of property tax
collections for the three preceding fiscal years.

SECTION 2. This Act takes effect on the 91st day after the
last day of the legislative session.