

1-1 By: Sparks S.B. No. 393
1-2 (In the Senate - Filed November 19, 2024; February 3, 2025,
1-3 read first time and referred to Committee on Local Government;
1-4 April 2, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 4, Nays 1; April 2, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8	Yea	Nay	Absent	PNV
1-9 Bettencourt	X			
1-10 Middleton	X			
1-11 Cook		X		
1-12 Gutierrez			X	
1-13 Nichols	X			
1-14 Paxton	X			
1-15 West			X	

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 393 By: Middleton

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 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 for
1-40 the purpose of calculating depreciation deductions under the
1-41 Internal Revenue Code of 1986 ends before the maturity date of the
1-42 public security.

1-43 SECTION 4. Section 1253.002, Government Code, is amended to
1-44 read as follows:

1-45 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE CERTAIN
1-46 DEBT FOR IMPROVEMENTS TO REAL PROPERTY [GENERAL OBLIGATION BONDS].
1-47 [~~(a) In this section, "personal property" has the meaning assigned~~
1-48 ~~by Section 1.04, Tax Code.~~

1-49 [~~(b)~~] Notwithstanding any other provision of law, a
1-50 political subdivision may not issue general obligation bonds,
1-51 certificates of obligation, or anticipation notes to purchase,
1-52 improve, or construct one or more improvements to real property[, ~~to purchase one or more items of personal property, or to do both,~~
1-53 ~~if the weighted average maturity of the issue of bonds,~~
1-54 ~~certificates, or notes exceeds 120 percent of the reasonably~~
1-55 ~~expected weighted average economic life of the improvements [and~~
1-56 ~~personal property] financed with the issue of bonds, certificates,~~
1-57 ~~or notes.~~

1-58 SECTION 5. This Act takes effect September 1, 2025.
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