

By: Goldman

H.B. No. 1752

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of certain bonds by school districts and the permissible use of interest derived from the proceeds of those bonds.

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

SECTION 1. Section 45.001, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1), (b-1), and (d) to read as follows:

(a) Subject to Subsection (a-1), the ~~[The]~~ governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, may:

(1) issue bonds for:

(A) the construction, acquisition, and equipment of school buildings in the district;

(B) the acquisition of property or the refinancing of property financed under a contract entered under Subchapter A, Chapter 271, Local Government Code, regardless of whether payment obligations under the contract are due in the current year or a future year;

(C) the purchase of the necessary sites for school buildings; and

(D) the purchase of new school buses; and

(2) ~~may~~ levy, pledge, assess, and collect annual ad valorem taxes sufficient to pay the principal of and interest on the bonds as or before the principal and interest become due, subject to Section 45.003.

(a-1) This section does not authorize bonds to be issued to pay costs associated with the initial purchase, subsequent replacement, or lease of technological equipment that is not a permanently attached fixture necessary in the initial construction of a public education facility.

(b) The bonds must mature serially or otherwise not more than 40 years from their date, except that if the expected useful life of the asset acquired with bond proceeds is less than 40 years the bonds must mature serially or otherwise not later than the last year of the expected useful life of the acquired asset. The bonds may be made redeemable before maturity.

(b-1) For purposes of Subsection (b), the expected useful life of an asset is determined based on the depreciable life of the asset under the Internal Revenue Code of 1986.

(d) Interest earned on bond proceeds may be used only to pay the principal of and interest on the bonds.

SECTION 2. (a) Except as provided by Subsection (b) of this section, this Act applies only to bonds authorized by voters on or after the effective date of this Act.

(b) Section 45.001(d), Education Code, as added by this Act, applies to interest that accrues on bond proceeds on or after the effective date of this Act, regardless of the date on which the

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1 bonds were authorized or issued.

2 SECTION 3. This Act takes effect September 1, 2015.