

By: Burton

S.B. No. 386

A BILL TO BE ENTITLED

AN ACT

relating to the use of federal funds by political subdivisions for payment of the political subdivision's debt obligations.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.012 to read as follows:

Sec. 140.012. USE OF FEDERAL FUNDS FOR PAYMENT OF DEBT OBLIGATIONS. A political subdivision may not use federal funds to make payments for a debt obligation of the political subdivision.

SECTION 2. Section 460.404(c), Transportation Code, is repealed.

SECTION 3. This Act takes effect September 1, 2017.