

1-1 By: Campbell S.B. No. 573
 1-2 (In the Senate - Filed February 13, 2015; February 23, 2015,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; May 20, 2015, reported favorably by the following vote:
 1-5 Yeas 4, Nays 3; May 20, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio		X		
1-8 Bettencourt	X			
1-9 Campbell	X			
1-10 Garcia		X		
1-11 Menéndez		X		
1-12 Nichols	X			
1-13 Taylor of Galveston	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the issuance of certain capital appreciation bonds by
 1-18 political subdivisions.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Subchapter B, Chapter 1201, Government Code, is
 1-21 amended by adding Section 1201.0245 to read as follows:

1-22 Sec. 1201.0245. ISSUANCE OF CAPITAL APPRECIATION BONDS BY
 1-23 LOCAL GOVERNMENTS. (a) In this section, "capital appreciation
 1-24 bond" means a bond that accrues and compounds interest from its date
 1-25 of delivery, the interest on which by its terms is payable only upon
 1-26 maturity or prior redemption.

1-27 (b) The total amount of capital appreciation bonds issued by
 1-28 a county, municipality, special district, school district, junior
 1-29 college district, or other political subdivision that are secured
 1-30 by ad valorem taxes may not exceed 25 percent of the political
 1-31 subdivision's total outstanding bonded indebtedness at the time of
 1-32 the issuance, including the amount of principal and interest to be
 1-33 paid on the outstanding bonds until maturity.

1-34 (c) Subsection (b) does not apply to the issuance of:

- 1-35 (1) refunding bonds under Chapter 1207; or
- 1-36 (2) capital appreciation bonds for financing
 1-37 transportation projects.

1-38 SECTION 2. The change in law made by this Act does not
 1-39 affect the validity of capital appreciation bonds issued before the
 1-40 effective date of this Act.

1-41 SECTION 3. This Act takes effect September 1, 2015.

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