

GOVERNMENT CODE

TITLE 9. PUBLIC SECURITIES

SUBTITLE C. PROVISIONS APPLICABLE TO SECURITIES ISSUED BY MORE THAN  
ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 1253. GENERAL OBLIGATION BONDS ISSUED BY POLITICAL  
SUBDIVISIONS

Sec. 1253.001. DEFINITION. In this chapter, "political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

Added by Acts 2019, 86th Leg., R.S., Ch. 726 (H.B. 440), Sec. 3, eff. September 1, 2019.

Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL OBLIGATION BONDS. (a) In this section, "personal property" has the meaning assigned by Section 1.04, Tax Code.

(b) Notwithstanding any other provision of law, a political subdivision may not issue general obligation bonds to purchase, improve, or construct one or more improvements to real property, to purchase one or more items of personal property, or to do both, if the weighted average maturity of the issue of bonds exceeds 120 percent of the reasonably expected weighted average economic life of the improvements and personal property financed with the issue of bonds.

Added by Acts 2019, 86th Leg., R.S., Ch. 726 (H.B. 440), Sec. 3, eff. September 1, 2019.

Sec. 1253.003. USE OF UNSPENT GENERAL OBLIGATION BOND PROCEEDS. (a) A political subdivision other than a school district may use the unspent proceeds of issued general obligation bonds only:

(1) for the specific purposes for which the bonds were authorized;

(2) to retire the bonds; or

(3) for a purpose other than the specific purposes for which the bonds were authorized if:

(A) the specific purposes are accomplished or abandoned; and

(B) a majority of the votes cast in an election held in the political subdivision approve the use of the proceeds for the proposed purpose.

(b) The election order and the notice of election for an election described by Subsection (a)(3)(B) must state the proposed purpose for which the bond proceeds are to be used.

(c) A political subdivision must hold an election described by Subsection (a)(3)(B) in the same manner as an election to issue bonds in the political subdivision.

Added by Acts 2019, 86th Leg., R.S., Ch. 726 (H.B. [440](#)), Sec. 3, eff. September 1, 2019.