

BILL ANALYSIS

Senate Research Center
76R5972 ESH-F

S.B. 1090
By: Duncan
Intergovernmental Relations
3/29/1999
As Filed

DIGEST

The definition of debt used in the Tax Code remains effective for single authority taxing entities like cities and counties, but does not work well for school and college districts that have two separate sources of taxing authority, one for maintenance and one for interest and sinking funds. S.B. 1090 would establish that obligations greater than one year are defined as debt, of the respective taxing authority, for cities, schools, colleges, and other political subdivisions under the Tax Code's effective tax computation.

PURPOSE

As proposed, S.B. 1090 establishes conditions relating to the treatment of certain contracts for purposes of determining the rollback tax rate of a taxing unit.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 271.005, Local Government Code, by adding Subsection (e), to provide that a contract that has a term longer than one year and as to which the governing body has obligated ad valorem taxes for payment of the contract is considered debt for purposes of Section 26.012(7), Tax Code.

SECTION 2. Emergency clause.
Effective date: upon passage.