

CHAPTER 660

S.B. No. 1153

An Act relating to net effective interest rate on certain public securities; amending Section 1, Chapter 3, Acts of the 61st Legislature, Regular Session, 1969, as amended (Article 717k-2, Vernon's Texas Civil Statutes).

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 1, Chapter 3, Acts of the 61st Legislature, Regular Session, 1969, as amended (Article 717k-2, Vernon's Texas Civil Statutes), is amended by adding Subsection (f) to read as follows:

“(f) In determining the ‘net effective interest rate’ for any issue or series of public securities that includes one or more bonds, notes, or other obligations on which interest accruing prior to the maturity of such bond(s), note(s), or other obligation(s) is compounded (a ‘compounding obligation’), there shall be added to the ‘bond years’ with reference to each separate compounding obligation constituting a part of such issue or series of public securities the figure obtained by dividing the amount of interest which is compounded, from time to time (which compounded amount shall, for purposes of this section, be then considered as principal) by 1,000 and multiplying such quotient by the number of years from the date of compounding, which is the date interest commences to accrue on the amount that is being compounded, to the scheduled date for payment of such amount that is being compounded, or if earlier, with respect to floating rate public securities, the date interest thereon is next calculated.”

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 9, 1985, by the following vote: Yeas 31, Nays 0; passed the House on May 21, 1985, by the following vote: Yeas 143, Nays 0, two present not voting.

Approved: June 14, 1985

Effective: Immediately