

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1124
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Bill Analysis

SB 1124 provides that every sinking fund created for bonds issued by any school district shall require the millage rate to be sufficient for the redemption of the bond and the payment of interest or judgment in the same period for which the bond was proposed by the district. If the revenues collected from the levy and deposited to the sinking fund are in amounts that provide for redemption of the bond prior to the date of maturity and such bond is redeemed below par prior to the date of maturity of the obligation, the tax levied for the redemption of such bond shall be reduced to zero for at least 1 full tax year. The State Auditor and Inspector shall enforce the provisions of this measure. Any school district that does not comply shall be notified of its noncompliance by the State Auditor. Continued noncompliance shall result in the transfer of 5% of its allocated State Aid to the Education Reform Revolving Fund. Any school district that does not receive state aid shall be prohibited from issuing a bond that would exceed an amount that would necessitate the levy of a tax exceeding a rate equal to 50% of the maximum levy rate.

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