

FIFTY-SEVENTH LEGISLATURE
SECOND SESSION

PROPOSED AMENDMENT DIRECTED TO A COMMITTEE

February 11, 2026

Mr. Chair:

I propose to the SENATE FINANCE COMMITTEE the following amendments to

HOUSE BILL 247, as amended

1. Strike House Taxation and Revenue Committee Amendment 1.
2. On page 2, between lines 19 and 20, insert:

"E. If severance tax bonds have been issued and no amount of the proceeds have been encumbered or expended for a capital outlay project for which bonds were issued by January 1 of the fiscal year in which unexpended balances will revert, the board of finance division of the department of finance and administration shall freeze the account, and any encumbrances after that date shall be considered invalid. If no amount has been encumbered or expended for a capital outlay appropriation from the general fund or other state funds by January 1 of the fiscal year in which the unexpended balance will revert, the department shall freeze the account, and any encumbrances after that date shall be considered invalid. An expenditure does not include a lawful, automatic deduction from the total proceeds or appropriation.

F. The department of finance and administration shall provide an annual report to the legislature by January 15 on the capital outlay projects that have been frozen. The balances of frozen accounts shall be available for authorization or appropriation in that fiscal year for other purposes, subject to any applicable rules and state board of finance oversight of severance

tax bonds, including, as applicable, requirements of federal tax laws relating to tax-exempt bonds. Should the proposed authorization or appropriation of a capital outlay project initially funded with proceeds of tax-exempt bonds pursuant to this subsection extend the time for expenditure of such proceeds beyond the date which is three years from the date of original issuance of the associated tax-exempt bonds, such authorization or appropriation shall be permitted only if it has been demonstrated to the satisfaction of the state board of finance that the reasons for the failure to expend proceeds within such time period were unanticipated at the time of the related tax-exempt bond issue, that such proceeds are to be expended as promptly as possible, and that the investment and expenditure of such proceeds will comply with applicable requirements of federal tax laws governing the associated tax-exempt bond issue."

Respectfully submitted,
