LOAN SECURED BY DELINQUENT TAX PLEDGE

The Board may pledge its delinquent taxes levied for maintenance purposes for specific past, current, and future school years as security for a loan, and may evidence any such loan with negotiable notes, and the delinquent taxes pledged shall be applied against the principal and interest of the loan. Negotiable notes issued under this subsection must mature not more than 20 years from their date.

The District may not pledge delinquent taxes levied for school bonds as security for a loan.

Funds secured through loans secured by delinquent taxes may be employed for any legal maintenance expenditure or purpose of the District, including all costs incurred in connection with: (1) environmental cleanup and asbestos removal programs implemented by districts; or (2) maintenance, repair, rehabilitation, or replacement of heating, air conditioning, water, sanitation, roofing, flooring, electric, or other building systems of existing school properties.

Education Code 45.104

LOANS FOR CURRENT MAINTENANCE EXPENSES

The Board may, when deemed necessary, borrow money for the purpose of paying maintenance expenses and may evidence those loans with negotiable notes, except that the loans may not at any time exceed 75 percent of the previous year's income. The notes may be payable from and secured by a lien on and pledge of any available funds of the District, including proceeds of a maintenance tax. The term "maintenance expenses" or "maintenance expenditures" as used in this policy means any lawful expenditure of the District other than payment of principal of and interest on bonds. The term includes all costs incurred in connection with environmental cleanup and asbestos cleanup and removal programs implemented by the District or in connection with the maintenance, repair, rehabilitation, or replacement of heating, air conditioning, water, sanitation, roofing, flooring, electric, or other building systems of existing school properties. Notes issued pursuant to this policy may be issued to mature in not more than 20 years from their date. Notes issued for a term longer than one year shall be treated as "debt" as defined in Section 26.012(7), Tax Code, as amended.

Such notes may be issued only after a budget has been adopted for the current school year. Notes shall be authorized by resolution adopted by a majority of the Board, signed by the President or Vice-President, and attested to by the Secretary.

Education Code 45.108

SHORT-TERM OBLIGATIONS AND CREDIT AGREEMENTS

The District may issue, sell, and deliver certain obligations under Government Code Chapter 1371 to the extent authorized by Education Code 45.003 if the District:

1. Has an average daily attendance of 50,000 or more; or

2. Has:

   a. In a principal amount of at least $100 million in outstanding long-term indebtedness, proposed indebtedness or a combination thereof; and

   b. Some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

Gov't Code 1371.001(4)(L), (P), 1371.0521

Subject to the restrictions of Education Code 45.011(c) and (d), a district with an average daily attendance of at least 2,000 or a combined aggregate principal of at least $50 million in outstanding and voted but unissued bonds may, in the issuance of negotiable coupon bonds for which voters have authorized the District to levy taxes without limit as to rate or amount, issue obligations and execute credit agreements as described in Government Code Chapter 1371. *Education Code 45.0011*

The maximum rate of interest for any issue or series of public securities shall be a net effective interest rate of 15 percent. *Gov't Code 1204.006*

Short-term notes shall be issued in accordance with the Public Security Procedures Act. *Gov't Code 1201*