

By: Mowery

H.B. No. 397

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the procedure for the issuance by a municipality or
3 county of certain certificates of obligation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 271.049, Local Government Code, is
6 amended by amending Subsections (a) and (c) and adding Subsections
7 (b-1) and (e) to read as follows:

8 (a) Regardless of the sources of payment of certificates,
9 certificates may not be issued unless the issuer publishes notice
10 of its intention to issue the certificates. The notice must be
11 published once a week for two consecutive weeks in a newspaper, as
12 defined by Subchapter C, Chapter 2051, Government Code, that is of
13 general circulation in the area of the issuer, with the date of the
14 first publication to be before the 30th [~~14th~~] day before the date
15 tentatively set for the passage of the order or ordinance
16 authorizing the issuance of the certificates. If the issuer is a
17 county with a population of less than 100,000 or if the total amount
18 of the certificates to be issued is less than \$25 million, the date
19 of the first publication of notice under this section must be before
20 the 14th day before the date tentatively set for the passage of the
21 order authorizing issuance.

22 (b-1) Certificates may not be issued unless the issuer, in
23 addition to publishing the notice required under Subsection (a),
24 sends a press release of its intention to issue the certificates to

1 major television, radio, and newsprint media in the area before the
2 30th day before the date tentatively set for the passage of the
3 order or ordinance authorizing the issuance of the certificates.
4 If the issuer maintains an Internet website, the issuer shall also
5 publish the press release on that website. Failure to comply with
6 this subsection does not affect the validity of certificates issued
7 under this subchapter. This subsection does not apply if the issuer
8 is a county with a population of less than 100,000 or if the total
9 amount of the certificates to be issued is less than \$25 million.

10 (c) If before the date tentatively set for the authorization
11 of the issuance of the certificates or if before the
12 authorization~~[r]~~ the municipal secretary or clerk if the issuer is
13 a municipality, or the county clerk if the issuer is a county,
14 receives a petition signed by the number of registered ~~[at least~~
15 ~~five percent of the qualified]~~ voters provided by Subsection (e)
16 ~~[of the issuer]~~ protesting the issuance of the certificates, the
17 issuer may not authorize the issuance of the certificates unless
18 the issuance is approved at an election ordered, held, and
19 conducted in the manner provided for bond elections under Chapter
20 1251, Government Code.

21 (e) The number of signatures required for a petition under
22 Subsection (c) is a number equal to at least five percent of the
23 number of votes cast for all candidates for president in the most
24 recent presidential election held in the issuing county or
25 municipality, as appropriate. If the issuer is a county with a
26 population of less than 100,000 or if the total amount of the
27 certificates to be issued is less than \$25 million, the minimum

1 number of signatures required for a petition under Subsection (c)
2 is a number equal to five percent of the number of votes cast for all
3 candidates for governor in the most recent gubernatorial election
4 held in the county.

5 SECTION 2. Section 271.0525(c), Local Government Code, is
6 amended to read as follows:

7 (c) A petition to protest the issuance of refinancing
8 certificates under this section must be signed by a number of
9 qualified voters, residing in the county, equal to at least five
10 percent of the number of votes cast in that county for president
11 [governor] in the most recent general election at which that office
12 was filled. If the issuer is a county with a population of less than
13 100,000 or if the total amount of the certificates to be issued is
14 less than \$25 million, the minimum number of signatures required
15 for a petition under this subsection is a number equal to five
16 percent of the number of votes cast for all candidates for governor
17 in the most recent gubernatorial election held in the county.

18 SECTION 3. The changes in law made by this Act apply only to
19 certificates of obligation for which the authorizing ordinance or
20 order is adopted on or after the effective date of this Act.

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2003.