

By: Mowery

H.B. No. 397

Substitute the following for H.B. No. 397:

By: Hunter

C.S.H.B. No. 397

A BILL TO BE ENTITLED

AN ACT

1
2 relating to requiring voter approval for the issuance by a
3 municipality or 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.

17 (b-1) Certificates may not be issued unless the issuer, in
18 addition to publishing the notice required under Subsection (a),
19 sends a press release of its intention to issue the certificates to
20 major television, radio, and newsprint media in the area before the
21 30th day before the date tentatively set for the passage of the
22 order or ordinance authorizing the issuance of the certificates.

23 (c) If before the date tentatively set for the authorization
24 of the issuance of the certificates or if before the

1 authorization~~[,]~~ the municipal secretary or clerk if the issuer is
2 a municipality, or the county clerk if the issuer is a county,
3 receives a petition signed by the number of registered ~~[at least~~
4 ~~five percent of the qualified]~~ voters provided by Subsection (e)
5 ~~[of the issuer]~~ protesting the issuance of the certificates, the
6 issuer may not authorize the issuance of the certificates unless
7 the issuance is approved at an election ordered, held, and
8 conducted in the manner provided for bond elections under Chapter
9 1251, Government Code.

10 (e) The number of signatures required for a petition under
11 Subsection (c) is a number equal to at least two percent of the
12 number of votes cast for all candidates for governor in the most
13 recent gubernatorial election held in the issuing county or
14 municipality, as appropriate.

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

17 (c) A petition to protest the issuance of refinancing
18 certificates under this section must be signed by a number of
19 qualified voters, residing in the county, equal to at least two
20 ~~[five]~~ percent of the number of votes cast in that county for
21 governor in the most recent general election at which that office
22 was filled.

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

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2003.