

By: Mowery

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(c), Local Government Code, is  
6 amended to read as follows:

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

17 SECTION 2. Subchapter C, Chapter 271, Local Government  
18 Code, is amended by adding Section 271.0491 to read as follows:

19 Sec. 271.0491. ELECTION REQUIRED FOR ISSUANCE OF \$2 MILLION  
20 OR MORE. If the maximum amount of certificates proposed to be  
21 authorized at one time under this subchapter, including  
22 certificates to refinance or refund debt evidenced by the issuer's  
23 certificates, is \$2 million or more, the issuer may not authorize  
24 the issuance of the certificates unless the issuance is approved at

1 an election held in the manner provided for bond elections under  
2 Chapter 1251, Government Code.

3 SECTION 3. Section 271.0525(c), Local Government Code, is  
4 amended to read as follows:

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

11 SECTION 4. The changes in law made by this Act apply only to  
12 certificates of obligation for which the authorizing ordinance or  
13 order is adopted on or after the effective date of this Act.

14 SECTION 5. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2003.