A BILL TO BE ENTITLED

1   AN ACT

2 relating to restrictions on the issuance of public securities.

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

4   SECTION 1. Chapter 1201, Government Code, is amended by

5 adding Subchapter E to read as follows:

6   SUBCHAPTER E. ADDITIONAL RESTRICTIONS ON

7   ISSUANCE OF PUBLIC SECURITIES

8   Sec. 1201.101. INFORMATION REGARDING PUBLIC SECURITY

9 APPROVED AT ELECTION. (a) This section applies to the issuance of

10 a public security for which approval at an election is required.

11   (b) In addition to complying with any other requirements of

12 law, the proposition submitted in the election to approve the

13 issuance of a public security must state:

14   (1) within a five percent margin of error:

15   (A) the total bonded indebtedness of the issuer,

16 under the heading "Outstanding Bond Debt";

17   (B) the amount of ad valorem taxes to be imposed

18 annually as a result of the issuance on a residence of the median

19 taxable value in the issuer's boundaries, under the heading

20 "Average Annual Tax Amount Per Household," if the public security

21 is payable from ad valorem taxes; and

22   (C) the total estimated cost, including

23 interest, to redeem the public security, under the heading "Total

24 Pay-Off Amount," if the public security is payable from ad valorem

1 taxes;

2   (2) the tax rate to be imposed, based on the current

3 value of taxable property in the issuer's boundaries, to pay the

4 annual interest on the public security and to provide a sinking fund

5 to redeem the public security at maturity, under the heading

6 "Interest and Sinking Fund Tax Rate," if the public security is

7 payable from ad valorem taxes; and

8   (3) the date by which the public securities to be

9 issued as authorized by this election are to be redeemed, under the

10 heading "Pay-Off Date."

11   (c) Any informative literature distributed by or at the

12 request of the issuer shall prominently display, on the front page

13 and in a font that is at least two points larger than the font used

14 for any other text in the literature:

15   (1) the information stated in the proposition under

16 Subsection (b); and

17   (2) the total indebtedness secured by public

18 securities of all issuers located wholly or partly in the territory

19 in which the issuer is located.

20   (d) An issuer shall make any documentation supporting the

21 information provided under Subsection (b) available to a person who

22 submits a written request for access to the documentation.

23   Sec. 1201.102. LIFE EXPECTANCY OF PROGRAM, PROJECT, OR

24 FACILITY FUNDED BY PUBLIC SECURITY. (a) Notwithstanding any other

25 law relating to the maturity of public securities, a public

26 security may not mature later than the expiration of any expected

27 duration, usefulness, or lifespan of the program, project,

1 facility, or other purpose for which the public security is issued.

2 (b) A public security may not be refinanced to provide that

3 the public security matures after the time authorized by Subsection

4 (a).

5 Sec. 1201.103. POSTING AND PUBLIC AVAILABILITY; HEARING.

6 Before issuing a public security or submitting a proposition to

7 voters for the issuance of a public security, as applicable, the

8 issuer shall:

9 (1) post the plans or policies, as applicable, for the

10 program, project, facility, or other purpose for which the public

11 security is to be issued:

12 (A) at a place convenient to the public in the

13 central administrative office of the issuer; and

14 (B) on the Internet with any other

15 election-related information, if the issuer has its own Internet

16 website or an Internet website on which the issuer regularly

17 provides public information; and

18 (2) hold a hearing at which the public has an

19 opportunity to comment on the plans or policies for the program,

20 project, facility, or other purpose and on potential cost-saving

21 measures.

22 Sec. 1201.104. BILINGUAL REQUIREMENTS. An issuer shall

23 provide the information required by Sections 1201.101 and 1201.103

24 in English and Spanish without regard to whether the issuer would be

25 required to use bilingual election materials under Chapter 272,

26 Election Code.

27 SECTION 2. (a) Section 1201.101, Government Code, as added

1　by this Act, applies only to an election on the issuance of public

2　securities for which the election order is issued on or after

3　September 1, 2005.

4　　　　(b)　Section 1201.102, Government Code, as added by this Act,

5　applies only to a public security issued on or after September 1,

6　2005.

7　　　　(c)　Section 1201.103, Government Code, as added by this Act,

8　applies only to a public security:

9　　　　　　(1)　for which the election order is issued on or after

10　September 1, 2005, if the issuance of the public security requires

11　voter approval at an election; or

12　　　　　　(2)　issued on or after September 1, 2005, if the

13　issuance of the public security does not require voter approval at

14　an election.

15　　　　SECTION 3.　This Act takes effect September 1, 2005.