

By: Solis

H.B. No. 3365

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the use of excess proceeds of certificates of
3 obligation.

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

5 SECTION 1. Subchapter C, Chapter 271, Local Government Code
6 is amended by adding Section 271.0462 to read as follows:

7 Sec. 271.0462. CHANGE IN USE OF PROCEEDS. The governing
8 body of an issuer may change the use of proceeds of outstanding
9 certificates for other purposes permitted under this subchapter:

10 (a) If the costs of the new project to be financed does not exceed
11 10 percent of the original principal amount of the outstanding
12 certificates, the governing body may pass a resolution authorizing
13 such proceeds to be used for such purpose.

14 (b) If the cost of the new project(s) exceed 10 percent of
15 the original principal amount of the outstanding certificates, the
16 governing body must publish notice of its intent to adopt a
17 resolution authorizing the use of proceeds to finance such new
18 project(s) in the same manner as prescribed in section 271.049 and
19 if five percent of the qualified voters file a written petition
20 protesting such proposal, an election shall be held as described in
21 section 271.049.

22 SECTION 2. EFFECTIVE DATE. This Act takes effect
23 immediately if it receives a vote of two-thirds of all members
24 elected to each house, as provided by Section 39, Article III, Texas

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1 Constitution. If this Act does not receive the vote necessary for
2 immediate effect, this Act takes effect September 1, 2005.