

By: Zaffirini

S.B. No. 1874

A BILL TO BE ENTITLED

AN ACT

relating to requiring a municipality or county to publish a notice of intent before issuing anticipation notes.

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

SECTION 1. Chapter 1431, Government Code, is amended by adding Section 1431.0031 to read as follows:

Sec. 1431.0031. NOTICE OF INTENTION TO ISSUE ANTICIPATION NOTES; PETITION AND ELECTION. (a) Regardless of the sources of payment of anticipation notes, anticipation notes may not be issued unless the issuer publishes notice of its intention to issue the anticipation notes. The notice must be published once a week for two consecutive weeks in a newspaper, as defined by Subchapter C, Chapter 2051, that is of general circulation in the area of the issuer, with the date of the first publication to be before the 30th day before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the anticipation notes.

(b) The notice must state:

(1) the time and place tentatively set for the passage of the order or ordinance authorizing the issuance of the anticipation notes;

(2) the maximum amount and purpose of the anticipation notes to be authorized; and

(3) the manner in which the anticipation notes will be paid for, whether by taxes, revenues, a combination of taxes and

1 revenues, or the proceeds of bonds to be issued by the issuer.

2 (c) If before the date tentatively set for the authorization  
3 of the issuance of the anticipation notes or if before the  
4 authorization, the municipal secretary or clerk if the issuer is a  
5 municipality, or the county clerk if the issuer is a county,  
6 receives a petition signed by at least five percent of the qualified  
7 voters of the issuer protesting the issuance of the anticipation  
8 notes, the issuer may not authorize the issuance of the  
9 anticipation notes unless the issuance is approved at an election  
10 ordered, held, and conducted in the manner provided for bond  
11 elections under Chapter 1251.

12 (d) This section does not apply to anticipation notes issued  
13 for the following purposes:

14 (1) a case of public calamity if it is necessary to act  
15 promptly to relieve the necessity of the residents or to preserve  
16 the property of the issuer;

17 (2) a case in which it is necessary to preserve or  
18 protect the public health of the residents of the issuer;

19 (3) a case of unforeseen damage to public machinery,  
20 equipment, or other property; or

21 (4) a contract for personal or professional services.

22 SECTION 2. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section 39, Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2009.