

## **BILL ANALYSIS**

C.S.H.B. 14  
By: Pitts  
Appropriations  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The comptroller of public accounts recently issued a series of reports on local debt in Texas, and the reports have generated concerns regarding the growth of such debt in the last decade. Interested parties believe that taxpayers have been asked to approve billions of dollars in debt without sufficient context and often with little idea of existing debt loads or annual debt service payments. C.S.H.B. 14 seeks to provide financial accountability and transparency by, among other provisions, requiring certain public entities to post revenue and expenditure information online along with details on long-term debt obligations, requiring public hearings and the provision of voter information documents before elections for new debt, revising local government use of certificates of obligation, and requiring the reporting of certain information about school facilities to better reflect the information voters need in deciding whether to undertake new debt.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of education in SECTION 1, the Texas Higher Education Coordinating Board in SECTION 3, the secretary of state in SECTION 13, and the comptroller of public accounts in SECTIONS 15 and 20 of this bill.

### **ANALYSIS**

#### **School Facilities Information**

C.S.H.B. 14 amends the Education Code to require a school district or open-enrollment charter school, for the purpose of providing information to the public regarding district or school facilities usage and taxpayer value, to report data elements specified by commissioner of education rule to the Texas Education Agency (TEA) through the Texas Student Data System (TSDS) or a successor data management system maintained by TEA and to provide a direct link on the district's or school's Internet website to the applicable data system through which the facilities information relevant to the specific district or school may be readily accessed. The bill requires the commissioner to adopt rules necessary to implement these provisions, including rules ensuring that the TSDS or a successor data management system maintained by TEA includes appropriate data elements regarding school facilities usage and taxpayer value. The bill adds a temporary provision, set to expire September 1, 2017, to require the commissioner to adopt such rules based on the recommendations of the Taxpayer Value and School Facilities Usage Advisory Committee established by the bill. These provisions apply to a school district or charter school beginning on the effective date of the rules adopted by the commissioner.

C.S.H.B. 14 establishes the Taxpayer Value and School Facilities Usage Advisory Committee and sets out its composition. The bill requires the commissioner and the comptroller of public accounts to make the necessary committee appointments not later than October 15, 2013. The bill requires the committee to meet to develop recommendations regarding the data that should be considered in evaluating a school district's or charter school's facility usage and taxpayer

value with regard to school facility construction and renovation and to hold its initial meeting as soon as possible after the committee members are selected, but not later than November 15, 2013. The bill requires the committee, not later than December 31, 2014, to develop its final recommendations and submit a report to the governor, lieutenant governor, and speaker of the house of representatives and to make the report available electronically to members of the legislature. The bill requires the commissioner, based on the recommendations, to ensure that the TSDS or a successor data management system maintained by TEA includes appropriate data elements regarding school facilities and to adopt rules for purposes of reporting information regarding school facilities usage. The bill establishes that a committee member is not entitled to reimbursement of expenses or to compensation and exempts the committee from Government Code provisions regulating state agency advisory committees. The bill's provisions relating to the committee expire September 1, 2017.

### **Institution of Higher Education Annual Financial Report**

C.S.H.B. 14 amends the Education Code to require each institution of higher education to take action to ensure that the institution's most recent annual financial report is posted continuously on the institution's Internet website and to require each institution, not later than November 30 of each year, to take action to ensure that a report showing the amount and a description of the institution's outstanding debt on the last day of the preceding state fiscal year is posted on the institution's Internet website. The bill requires the report for a university system to show the aggregate outstanding debt for the system and, to the extent that the debt is attributable to a specific institution, the outstanding debt for each system institution. The bill requires each institution of higher education to maintain or cause to be maintained an Internet website to comply with these requirements.

### **Junior College District Construction Cost Reporting**

C.S.H.B. 14 amends the Education Code to require the Texas Higher Education Coordinating Board to require each junior college district to report building construction costs and related information to the coordinating board for the purpose of determining certain costs. The bill requires the coordinating board to prescribe the form, manner, and times of the reports in consultation with the governing boards of the state's junior college districts and to compile the information reported for all junior college districts and periodically report its findings to the districts. The bill requires the coordinating board and each junior college district to take action to ensure that the coordinating board's findings are posted on each respective entity's Internet website. The bill requires the coordinating board to adopt rules for the administration of these provisions and to attempt to avoid duplicating other reporting requirements applicable to junior college districts. The bill requires each junior college district to maintain or cause to be maintained an Internet website to comply with these requirements.

### **Local Sales and Use Tax Information**

C.S.H.B. 14 amends the Government Code to require the comptroller to publish and update at least annually on the comptroller's Internet website, listed by county, the name of each political subdivision that imposes a sales and use tax, the corresponding tax rate, and certain tax rate information reported to the comptroller by each county assessor-collector.

### **Securities Information**

C.S.H.B. 14 amends the Government Code to require the bond finance office at the Bond Review Board, not later than the 180th day after the last day of each state fiscal year, to publish a local securities report listing certain information and requires the office, not later than the 150th day after the last day of each state fiscal year, to publish on the office's Internet website a report that includes certain statistical information for all local securities for the preceding fiscal year.

C.S.H.B. 14 redesignates the public securities issued by a municipal corporation or political subdivision of the state to be reviewed by the attorney general as local securities and defines "local security" as a public security other than a state security. The bill requires, rather than authorizes, the attorney general in conducting such a review to collect certain information on each local security. The bill requires the attorney general to send the local securities information to the board not later than the fifth day before the date the attorney general approves the local security. The bill requires the bond finance office, if an issuer has not provided the information, to notify the person listed as the contact for the issuer and sets out requirements relating to the notice. The bill requires an issuer to provide the information described in the notice to the office not later than the 60th day after the date the issuer receives it and requires the office and the attorney general to maintain a noncompliance list of issuers that do not provide the information in such a manner. The bill prohibits the attorney general from approving a local security submitted by an issuer that is included on the noncompliance list until the attorney general receives written notification from the office that the office has received the required information or has agreed to a later date for the submission of the information. The bill revises the information included in the biennial debt statistics report submitted to the legislature by the Bond Review Board relating to state securities and debt obligations issued by local governments.

C.S.H.B. 14 authorizes the board to enter into one or more contracts to procure services to collect and maintain information regarding the indebtedness of state agencies and local governments.

### **Public Hearing and Voter Information Document for the Issuance of Bonds**

C.S.H.B. 14 amends the Government Code to require the governing body of a political subdivision, before the subdivision may hold an election to authorize the issuance of bonds, to conduct a public hearing at which persons interested in the issuance of the bonds are given the opportunity to be heard, with the hearing held not earlier than the 21st day or later than the first day before the date the period for early voting by personal appearance begins for the election. The bill requires the governing body, not earlier than the 30th day or later than the 15th day before the date of the hearing, to take action to ensure that the notice of the hearing and each voter information document are made available as provided by the bill and requires the governing body to take action to ensure that a separate voter information document containing certain distinct statements is prepared for each proposition to be discussed at the hearing. The bill sets out the statements, including the manner in which they are to appear, and procedures for printing the documents. The bill establishes that a good faith estimate of certain information in the documents does not constitute a breach of contract with the voters solely because the estimate or projection is later determined to be incorrect. The bill requires the governing body to make a copy of each voter information document available to each hearing attendee, requires the secretary of state by rule to prescribe the form of such a document, and requires the secretary of state to make the form available on the secretary of state's Internet website not later than January 1, 2014.

C.S.H.B. 14 requires the Texas Ethics Commission to provide guidelines for political subdivisions regarding how to conduct a hearing with regard to these provisions and how to provide additional information on the form of a voter information document prescribed by the secretary of state without violating electioneering and political advertising laws and to make the guidelines available on the commission's Internet website not later than January 1, 2014.

C.S.H.B. 14 requires the governing body of a political subdivision to take action to ensure that a sample of the ballot printed for an election to authorize a political subdivision to issue bonds is posted on the political subdivision's Internet website, or on a website authorized by the bill, as soon as practicable after the official ballots have been prepared and remains posted until the day following the election. The bill requires a political subdivision, with certain exceptions, to maintain or cause to be maintained an Internet website to comply with the bill's provisions relating to certain bond matters.

C.S.H.B. 14 requires a political subdivision, except for a county or municipality with a population of more than 2,000 or a school district or a junior college district, that did not maintain a website or cause a website to be maintained on January 1, 2013, to either post information relating to the public hearing and the voter information documents on the political subdivision's website, if the political subdivision chooses to maintain the website or cause the website to be maintained or post such information on a website in which the political subdivision controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the political subdivision on the Internet.

### **Open-Enrollment Charter School Annual Financial Statement**

C.S.H.B. 14 transfers the Local Government Code provision relating to the annual financial statement required of an open-enrollment charter school, school district, junior college district, and certain constitutionally organized districts and authorities to the Education Code and limits its applicability to a charter school. The bill requires the governing body of a charter school to take action to ensure that the school's annual financial report is made available in the manner provided by state public information law and is posted continuously on the charter school's Internet website. The bill requires a charter school to maintain or cause to be maintained a website to comply with these provisions.

### **Political Subdivision Annual Financial Report or Statement**

C.S.H.B. 14 amends the Local Government Code to require a political subdivision to prepare an annual financial report that includes certain financial and debt obligation information. The bill authorizes the political subdivision, instead of replicating information that is posted separately online, to provide in the report a direct link to, or a clear statement describing the location of, the separately posted information. The bill authorizes the political subdivision, as an alternative to preparing an annual financial report, to provide to the comptroller the financial and debt obligation information in the form and in the manner prescribed by the comptroller, to be posted on the comptroller's Internet website in the format the comptroller determines appropriate. The bill requires the political subdivision to provide a link from the political subdivision's website, or on a website as authorized by the bill, to the location on the comptroller's website where the political subdivision's financial information may be viewed and requires the comptroller to adopt rules necessary to implement the alternative reporting option.

C.S.H.B. 14 requires the governing body of a political subdivision to take action to ensure that the annual financial report is made available for inspection by any person and is posted continuously along with contact information for the main office of the political subdivision on its Internet website or on a website as authorized by the bill, until the political subdivision posts the next annual financial report. The bill requires a political subdivision, with certain exceptions, to maintain or cause to be maintained a website to comply with these provisions.

C.S.H.B. 14 requires a political subdivision, except for a county or municipality with a population of more than 2,000 or a school district or a junior college district, that did not maintain a website or cause a website to be maintained on January 1, 2013, to either post the financial and debt obligation information on the political subdivision's website, if the political subdivision chooses to maintain the website or cause the website to be maintained or post such information on a website in which the political subdivision controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the political subdivision on the Internet. The bill exempts a county or municipality with a population of more than 2,000 or a school district or a junior college district from this requirement.

C.S.H.B. 14 repeals a provision relating to the publication of an annual financial statement of certain districts and requires the governing body of a school district or junior college district

required to publish an annual financial statement under this repealed provision to publish an annual financial statement for the last fiscal year ending before the bill's effective date for which the district has not published an annual financial statement.

### **Certificates of Obligation**

C.S.H.B. 14 amends the Local Government Code, in provisions relating to the authorization of a certificate of obligation by ordinance or order as set out in the Certificate of Obligation Act of 1971, to prohibit the governing body of an issuing municipality, county, or hospital district from authorizing a certificate of obligation to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved. The bill authorizes a governing body to authorize a certificate that the governing body is otherwise prohibited from authorizing in certain specified cases and to comply with a state or federal law, rule, or regulation if the political subdivision has been officially notified of noncompliance with the law, rule, or regulation.

C.S.H.B. 14 requires a notice of intention to issue certificates of obligation to be first published before the 45th day, rather than before the 30th day, before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates and to be published continuously on the issuer's Internet website, or on a website authorized by the bill, for at least 45 days before that tentative date and until the first day after the date the issuer adopts the order or ordinance. The bill removes a provision requiring the notice to state the maximum amount of the certificates to be authorized and sets out additional information required to be included in the notice. The bill makes the notice requirements applicable to certificates issued for the purposes of a contract for personal or professional services that are otherwise exempt from advertisement requirements for competitive bids. The bill requires an issuer, with certain exceptions, to maintain a website to comply with these provisions.

C.S.H.B. 14 requires an issuer of certificates of obligation, except for a county or municipality with a population of more than 2,000, that did not maintain a website or cause a website to be maintained on January 1, 2013, to either post the applicable information on the issuer's website, if the issuer chooses to maintain the website or cause the website to be maintained or post such information on a website in which the issuer controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the issuer on the Internet.

### **Comprehensive Review of Special Districts**

C.S.H.B. 14 amends the Special District Local Laws Code to require the governing body of a special district that has outstanding debt or imposes a tax, assessment, or fee to conduct a comprehensive review of the district at least once every six years and requires the governing body of a special district that has issued debt or imposed a tax, assessment, or fee before the bill's effective date to conclude the first comprehensive review cycle not later than September 1, 2014. The bill requires the governing body of a special district that issues debt or imposes a tax, assessment, or fee for the first time on or after September 1, 2013, to conduct the first comprehensive review not later than the third anniversary of the date the governing body issues the debt or imposes the tax, assessment, or fee. The bill requires the governing body to publish a written self-evaluation report within a specified period and sets out the required elements of the report. The bill authorizes the district, instead of replicating in the self-evaluation report certain information that is posted separately online, to provide in the report a direct link to, or a clear statement describing the location of, the separately posted information. The bill requires the governing body to make the report available for inspection by any person and to take action to ensure that the report is posted continuously on the special district's Internet website or a website authorized by the bill. The bill requires the governing body to conduct a public hearing to give persons interested in the self-evaluation report the opportunity to be heard and sets out the notice requirements for such a hearing. The bill requires the governing body, not later than the 10th day

after the date of the public hearing, to take action to ensure that certain information about the hearing is posted on the special district's website or on a website authorized by the bill and requires a special district to maintain or cause to be maintained a website to comply with these provisions.

C.S.H.B. 14 requires a special district, if the special district did not maintain an Internet website or cause a website to be maintained on January 1, 2013, to either post the comprehensive review information on the special district's website, if the special district chooses to maintain the website or cause the website to be maintained, or post such information on a website in which the special district controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the special district on the Internet.

### **County Assessor-Collector Information**

C.S.H.B. 14 amends the Tax Code to require the county assessor-collector for each county, including those that do not participate in the assessment or collection of property taxes, with certain exceptions, to maintain or cause to be maintained an Internet website. The bill requires the county assessor-collector to post certain tax rate information on that website, as an alternative to the county's website, or to provide on at least one of those websites a link to the location on the comptroller's website where the information may be viewed. The bill requires the county assessor-collector for each county to report the tax rate information for the current tax year to the comptroller. The bill requires the comptroller by rule to prescribe both the time and manner in which such information is required to be reported and published, rather than only prescribing the manner in which such information is required to be presented.

C.S.H.B. 14 requires a county assessor-collector for a county with a population of 2,000 or less, if the county assessor-collector or the county served by the assessor-collector did not maintain or cause to be maintained an Internet website on January 1, 2013, to provide on at least one website a link to the tax rate information on the comptroller's website, provided that the link is easily found by searching the name of the county or the assessor-collector on the Internet, or, as an alternative method, requires such an assessor-collector in such a county to either post the tax rate information on the assessor-collector's or county's website, if the assessor-collector or county chooses to maintain the website or cause the website to be maintained, or to post such information on a website in which the assessor-collector or county controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the county or the assessor-collector on the Internet.

### **Repealed Law**

C.S.H.B. 14 repeals Section 140.006, Local Government Code.

### **EFFECTIVE DATE**

September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 14 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Chapter 46, Education Code, is amended by adding Subchapter D to read

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Chapter 46, Education Code, is amended by adding Subchapter D to read

83R 23772

13.109.933

Substitute Document Number: 83R 20279

as follows:

SUBCHAPTER D. PUBLIC INFORMATION REGARDING FACILITIES

Sec. 46.101. DEFINITION. In this subchapter, "instructional facility" has the meaning assigned by Section 46.001.

Sec. 46.102. INVENTORY OF EXISTING FACILITIES.

(a) A school district or open-enrollment charter school shall post an inventory of the district's or school's existing facilities on the district's or school's Internet website.

(b) The inventory must include at least the following information regarding instructional facilities:

(1) the total available square footage and maximum student capacity of the district's or school's instructional facilities in aggregate;

(2) the total current student enrollment in the district or school; and

(3) for each separate instructional facility:

(A) square footage;

(B) maximum student capacity; and

(C) current student enrollment.

(c) The inventory must include at least the following information regarding each facility other than an instructional facility:

(1) square footage;

(2) a statement of the facility's current use; and

(3) any other information specified by rule adopted by the commissioner.

(d) For a facility for which the school district or open-enrollment charter school developed and posted construction or renovation information in accordance with Section 46.103, the information provided under this section for the facility must also include the final updated information required under Section 46.103. This subsection does not require a district or school to develop and post information regarding construction or renovation costs for a facility not subject to Section 46.103.

(e) A school district or open-enrollment charter school shall update the information posted under this section at least annually and more frequently if necessary to ensure that the information provides an accurate description of existing facilities.

(f) A school district or open-enrollment charter school shall maintain an Internet

as follows:

SUBCHAPTER D. PUBLIC INFORMATION REGARDING FACILITIES

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

website to comply with this section.

Sec. 46.103. CONSTRUCTION AND RENOVATION OF FACILITIES.

(a) A school district or open-enrollment charter school shall post on the district's or school's Internet website at least the information specified by this section regarding each project for the construction or renovation of a facility.

(b) The following information must be posted regarding an instructional facility:

(1) the square footage of the facility;

(2) the square footage per student, computed using the maximum student capacity at the facility;

(3) the cost per square foot;

(4) the cost per student, computed using the maximum student capacity at the facility; and

(5) the average cost of constructing a comparable facility in the region, as determined by the commissioner under Subsection (f).

(c) The following information must be posted regarding a facility other than an instructional facility:

(1) the square footage of the facility;

(2) a statement of the intended use of the facility;

(3) the cost per square foot;

(4) the average cost of constructing a comparable facility in the region, as determined by the commissioner under Subsection (f); and

(5) any other information specified by rule adopted by the commissioner.

(d) A school district or open-enrollment charter school shall comply with this section at the beginning of a project by posting information based on estimated costs and anticipated construction or renovation design plans. At the conclusion of the project, the district or school shall post updated information that reflects the actual cost and final specifications of the project. Subsequently, the district or school shall continue to post the information as provided by Section 46.102(d).

(e) A school district or open-enrollment charter school shall maintain an Internet website to comply with this section.

(f) The commissioner shall determine and periodically update information regarding the average cost per square foot in each region of the state of constructing

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.



instructional facilities and other school district or open-enrollment charter school facilities. The commissioner may base a determination under this subsection on any relevant information available to the commissioner and may enter into any contract necessary to authorize use of or access to the information.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

Sec. 46.101. AVAILABILITY OF INFORMATION REGARDING FACILITIES.

(a) For the purpose of providing information to the public regarding district or school facilities usage and taxpayer value, a school district or open-enrollment charter school shall:

(1) report data elements specified by commissioner rule to the agency through the Texas Student Data System (TSDS) or a successor data management system maintained by the agency; and

(2) provide a direct link on the district's or school's Internet website to the Texas Student Data System (TSDS) or a successor data management system maintained by the agency through which the facilities information relevant to the specific district or school may be readily accessed.

(b) The commissioner shall adopt rules necessary to implement this section, including rules ensuring that the Texas Student Data System (TSDS) or a successor data management system maintained by the agency includes appropriate data elements regarding school facilities usage and taxpayer value.

(c) The commissioner shall adopt rules for purposes of Subsection (b) based on the recommendations of the Taxpayer Value and School Facilities Usage Advisory Committee established under Section 46.102. This subsection expires September 1, 2017.

Sec. 46.102. TAXPAYER VALUE AND SCHOOL FACILITIES USAGE ADVISORY COMMITTEE.

(a) The Taxpayer Value and School Facilities Usage Advisory Committee is established to serve the function specified by this section.

(b) The committee consists of:

(1) the commissioner and the comptroller, who serve as co-chairs of the committee; and

No equivalent provision.

(2) the following persons, appointed jointly by the commissioner and comptroller:  
(A) a current school board member;  
(B) a current school district administrator;  
(C) a current public school teacher;  
(D) a parent of a student currently enrolled in a public school;  
(E) a representative of the school construction industry, who may be an engineer, architect, or contractor;  
(F) a representative of the construction industry who does not work on school construction, who may be an engineer, architect, or contractor; and  
(G) a member of the public.

No equivalent provision.

(c) The commissioner and comptroller shall make the appointments required by Subsection (b) not later than October 15, 2013.

No equivalent provision.

(d) The committee shall meet to develop recommendations regarding the data that should be considered in evaluating a school district's or open-enrollment charter school's facility usage and taxpayer value with regard to school facility construction and renovation. The committee shall hold its initial meeting as soon as possible after the committee members are selected, but not later than November 15, 2013.

No equivalent provision.

(e) Not later than December 31, 2014, the committee shall develop its final recommendations and submit a report to the governor, lieutenant governor, and speaker of the house of representatives. The committee shall also make the report available electronically to members of the legislature.

No equivalent provision.

(f) Based on the recommendations developed by the committee, the commissioner shall:

No equivalent provision.

(1) ensure that the Texas Student Data System (TSDS) or a successor data management system maintained by the agency includes appropriate data elements regarding school facilities; and

No equivalent provision.

(2) adopt rules for purposes of Section 46.101.

(g) A committee member is not entitled to reimbursement of expenses or to compensation.

(h) Chapter 2110, Government Code, does not apply to the committee.

(i) This section expires September 1, 2017.

SECTION 2. Section 51.005, Education

SECTION 2. Section 51.005, Education

Code, is amended to read as follows:  
Sec. 51.005. ANNUAL FINANCIAL REPORT [REPORTS]. (a) Each institution of higher education shall:  
(1) prepare a complete annual financial report as prescribed by Section 2101.011, Government Code; and  
(2) post the institution's most recent annual financial report continuously on the institution's Internet website.

(b) Each institution of higher education that is a component of a university system shall include in its annual financial report a description of any debt issued by the university system for or on behalf of the institution during the fiscal year covered by the report. In this subsection, "university system" has the meaning assigned by Section 61.003.

SECTION 3. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0621 to read as follows:  
Sec. 61.0621. JUNIOR COLLEGE DISTRICT CONSTRUCTION COST REPORTING. (a) The board shall require each junior college district to report building construction costs and related information to the board for the purpose of determining:  
(1) the average cost per square foot, adjusted for inflation for the region of the state in which the project is located; and  
(2) the average cost per student for each junior college district.  
(b) The board, in consultation with the governing boards of the state's junior college districts, shall prescribe the form, manner, and times of reports required under this section.  
(c) The board shall compile the information reported under Subsection (a) for all junior college districts and periodically report its findings to the districts. The board and each junior college district shall post the board's findings on each respective entity's Internet website.

Code, is amended to read as follows:  
Sec. 51.005. ANNUAL FINANCIAL REPORT [REPORTS]. (a) Each institution of higher education shall:  
(1) prepare a complete annual financial report as prescribed by Section 2101.011, Government Code; and  
(2) take action to ensure that the institution's most recent annual financial report is posted continuously on the institution's Internet website.

(b) Not later than November 30 of each year, each institution of higher education shall take action to ensure that a report showing the amount and a description of the institution's outstanding debt on the last day of the preceding state fiscal year is posted on the institution's Internet website. For a university system, the report must show the aggregate outstanding debt for the system and, to the extent that the debt is attributable to a specific institution, the outstanding debt for each system institution. In this subsection, "university system" has the meaning assigned by Section 61.003.  
(c) Each institution of higher education shall maintain or cause to be maintained an Internet website to comply with this section.

SECTION 3. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0621 to read as follows:  
Sec. 61.0621. JUNIOR COLLEGE DISTRICT CONSTRUCTION COST REPORTING. (a) The board shall require each junior college district to report building construction costs and related information to the board for the purpose of determining:  
(1) the average cost per square foot, adjusted for inflation for the region of the state in which the project is located; and  
(2) the average cost per full-time equivalent student for each junior college district.  
(b) The board, in consultation with the governing boards of the state's junior college districts, shall prescribe the form, manner, and times of reports required under this section.  
(c) The board shall compile the information reported under Subsection (a) for all junior college districts and periodically report its findings to the districts. The board and each junior college district shall take action to ensure that the board's findings are posted on each respective entity's Internet website.

(d) The board shall adopt rules for the administration of this section.  
(e) In administering this section, the board shall attempt to avoid duplicating other reporting requirements applicable to junior college districts.

SECTION 4. Subchapter B, Chapter 403, Government Code, is amended.

SECTION 5. Section 1202.008, Government Code, is amended to read as follows:

Sec. 1202.008. COLLECTION AND REPORT OF INFORMATION ON LOCAL [PUBLIC] SECURITIES [OF POLITICAL SUBDIVISIONS]. (a) In this section, "local security" has the meaning assigned by Section 1231.001.

(b) In reviewing public securities under this chapter, the attorney general shall [may] collect, in the form required by the Bond Review Board, information on each local security [public securities issued by a municipal corporation or political subdivision of this state].

(c) [(b)] The information must include:

- (1) the terms of each local security [the public securities];
- (2) the debt service payable on each local security [the public securities]; and
- (3) other information required by the Bond Review Board.

(d) [(e)] The attorney general shall send the information to the Bond Review Board for inclusion in the reports required by Sections [board's report of debt statistics under Section] 1231.062, 1231.104, and 1231.105.

(d) The board shall adopt rules for the administration of this section.  
(e) In administering this section, the board shall attempt to avoid duplicating other reporting requirements applicable to junior college districts.

(f) Each junior college district shall maintain or cause to be maintained an Internet website to comply with this section.

SECTION 4. Same as introduced version.

SECTION 5. Section 1202.008, Government Code, is amended to read as follows:

Sec. 1202.008. COLLECTION AND REPORT OF INFORMATION ON LOCAL [PUBLIC] SECURITIES [OF POLITICAL SUBDIVISIONS]. (a) In this section, "local security" has the meaning assigned by Section 1231.001.

(b) In reviewing local [public] securities under this chapter, the attorney general shall [may] collect, in the form required by the Bond Review Board, information on each local security [public securities issued by a municipal corporation or political subdivision of this state].

(c) [(b)] The information must include:

- (1) the terms of each local security [the public securities];
- (2) the debt service payable on each local security [the public securities]; and
- (3) other information required by the Bond Review Board.

(d) [(e)] The attorney general shall send the information regarding each local security to the Bond Review Board not later than the fifth day before the date the attorney general approves the local security under Section 1202.003 [for inclusion in the board's report of debt statistics under Section 1231.062].

(e) If an issuer has not provided the information required by Subsection (c), the bond finance office at the Bond Review Board shall notify the person listed as the contact for the issuer. The notice must be in writing, describe the information that must be submitted to the bond finance office, and inform the issuer that the issuer will be placed on the noncompliance list if the information is not provided as required by this subsection. An issuer must provide the information described in the notice to the

(e) The attorney general may not approve a local security under Section 1202.003 until the attorney general receives written notification from the Bond Review Board that the board:

- (1) has received the information required by Subsection (c); or
- (2) has agreed to a later date for the submission of the information.

SECTION 6. The heading to Subtitle B, Title 9, Government Code, is amended.

SECTION 7. Section 1231.001, Government Code, is amended.

~~No equivalent provision.~~

SECTION 8. Section 1231.062(b), Government Code, is amended to read as follows:

- (b) A report must include:
- (1) total debt service as a percentage of total expenditures;
  - (2) ~~total debt [tax-supported debt] service as a percentage of general revenue expenditure;~~
  - ~~[(3)] per capita [total debt];~~

~~(3) tax-supported debt~~

~~[(4)] per capita tax-supported debt;~~

~~[(5)] total debt and tax-supported debt as a percentage of personal income;~~

~~[(6)] total personal income per capita;~~

~~bond finance office not later than the 60th day after the date the issuer receives the notice. The bond finance office and the attorney general shall maintain a noncompliance list of issuers that do not provide the information in the manner provided by this subsection.~~

(f) The attorney general may not approve a local security under Section 1202.003 submitted by an issuer that is included on the noncompliance list described by Subsection (e) until the attorney general receives written notification from the bond finance office at the Bond Review Board that the office:

- (1) has received the information required by Subsection (c); or
- (2) has agreed to a later date for the submission of the information.

SECTION 6. Same as introduced version.

SECTION 7. Same as introduced version.

SECTION 8. Subchapter B, Chapter 1231, Government Code, is amended by adding Section 1231.024 to read as follows:  
Sec. 1231.024. CONTRACTS TO COLLECT INFORMATION. The board may enter into one or more contracts to procure services to collect and maintain information regarding the indebtedness of state agencies and local governments.

SECTION 9. Section 1231.062(b), Government Code, is amended to read as follows:

- (b) A report must include:
- (1) total debt service as a percentage of total expenditures;
  - (2) ad valorem tax-supported debt [service as a percentage of general revenue expenditure];
  - (3) ~~[per capita] total revenue obligations [debt];~~

~~(4) ad valorem [per capita tax-supported debt];~~

~~[(5)] total debt and tax-supported debt as a percentage of personal income;~~

~~[(6)] total personal income per capita;~~

~~[(7) total debt per capita as a percentage of total personal income] per capita;~~  
~~(4) [(8) total debt and tax-supported debt as a percentage of real property valuations;~~  
~~(5) [(9) total debt and tax-supported debt as a percentage of annual revenues and expenditures;~~  
~~[(10)] principal scheduled [required] to be repaid in five years, [and principal required to be repaid in] 10 years, and 20 years;~~  
~~(6) [(11) growth rates of total debt per capita and total debt per dollar of personal income;~~  
~~[(12)] recent issuances [trends in the issuance] of short-term notes;~~  
~~(7) [(13)] recent trends in issuance costs;~~  
~~(8) [(14)] savings from recent refundings;~~  
~~(9) debt outstanding [(15) recent trends in capitalized interest use;~~  
~~[(16) debt service coverage ratios, if applicable]; and~~  
~~(10) [(17)] other information the board considers relevant.~~

SECTION 9. The heading to Section 1231.102, Government Code, is amended.

SECTION 10. Subchapter F, Chapter 1231, Government Code, is amended by adding Sections 1231.104, 1231.105, and 1231.106 to read as follows:

Sec. 1231.104. LOCAL SECURITIES ANNUAL REPORT. Not later than the 180th day after the ~~end~~ of each state fiscal year, the bond finance office shall publish a report listing:

- (1) the amount of local securities outstanding;
- (2) applicable repayment schedules; and
- (3) other information the office considers relevant.

Sec. 1231.105. ONLINE ANNUAL LOCAL DEBT STATISTICS REPORT. Not later than the 150th day after the ~~end~~ of each state fiscal year, the bond finance office shall publish on the office's Internet website a report that includes the statistical information listed in Section 1231.062(b) for all local securities for the preceding fiscal year.

Sec. 1231.106. REQUIRED INFORMATION. (a) An issuer of a local security shall provide annually to the bond finance office, and at other times required

~~[(7) total debt per capita as a percentage of total personal income] per capita;~~  
~~[(8) total debt and tax-supported debt as a percentage of real property valuations;~~  
~~(5) [(9) total debt and tax-supported debt as a percentage of annual revenues and expenditures;~~  
~~[(10)] principal scheduled [required] to be repaid in five years and [principal required to be repaid] in 10 years;~~  
~~(6) [(11) growth rates of total debt per capita and total debt per dollar of personal income;~~  
~~[(12)] recent issuances [trends in the issuance] of short-term notes;~~  
~~(7) [(13)] recent trends in issuance costs;~~  
~~(8) [(14)] savings from recent refundings;~~  
~~(9) debt outstanding [(15) recent trends in capitalized interest use;~~  
~~[(16) debt service coverage ratios, if applicable]; and~~  
~~(10) [(17)] other information the board considers relevant.~~

SECTION 10. Same as introduced version.

SECTION 11. Subchapter F, Chapter 1231, Government Code, is amended by adding Sections 1231.104 and 1231.105 to read as follows:

Sec. 1231.104. LOCAL SECURITIES ANNUAL REPORT. Not later than the 180th day after the ~~last day~~ of each state fiscal year, the bond finance office shall publish a report listing:

- (1) the amount of local securities outstanding;
- (2) applicable repayment schedules; and
- (3) other information the office considers relevant.

Sec. 1231.105. ONLINE ANNUAL LOCAL DEBT STATISTICS REPORT. Not later than the 150th day after the ~~last day~~ of each state fiscal year, the bond finance office shall publish on the office's Internet website a report that includes the statistical information listed in Section 1231.062(b) for all local securities for the preceding fiscal year.

~~No equivalent provision.~~

by the office, information that the office determines necessary to administer the powers or duties of the board or the office, including the preparation of any report.

(b) The bond finance office shall develop a standardized format to simplify the submission of information by an issuer under this section.

SECTION 11. Chapter 1251, Government Code, is amended.

SECTION 12. Chapter 1251, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. BOND MATTERS AFFECTING MORE THAN ONE TYPE OF POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Debt obligation" means an issued public security, as defined by Section 1201.002.

(2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 12. Same as introduced version.

SECTION 13. Chapter 1251, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. BOND MATTERS AFFECTING MORE THAN ONE TYPE OF POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Debt obligation" means an issued public security, as defined by Section 1201.002.

(2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

Sec. 1251.052. PUBLIC HEARING; VOTER INFORMATION DOCUMENT.

(a) Before a political subdivision may hold an election to authorize the issuance of bonds, the governing body of the political subdivision must conduct a public hearing at which persons interested in the issuance of the bonds are given the opportunity to be heard. The governing body must hold the hearing not earlier than the 21st day or later than the first day before the date the period for early voting by personal appearance begins for the election, as determined under Section 85.001, Election Code.

(b) Not earlier than the 30th day or later than the 15th day before the date of the hearing, the governing body of the political subdivision shall take action to ensure that the notice of the hearing and each voter information document described by Subsection (c) are:

(1) provided by:

(A) publication in at least one newspaper of general circulation in the county in which the political subdivision is wholly or primarily located;

No equivalent provision.

(B) inclusion in the political subdivision's newsletter or circular mailed or delivered to each registered voter in the political subdivision; or

(C) mail or hand delivery to each registered voter in the political subdivision; and

(2) posted on the political subdivision's Internet website, or on a website as authorized by Section 1251.054(b)(2), until the conclusion of the hearing.

(c) The governing body of the political subdivision shall take action to ensure that a separate voter information document is prepared for each proposition to be discussed at the hearing. Each voter information document must distinctly state:

(1) the language that will appear on the ballot;

(2) the purpose for which the bonds are to be authorized;

(3) that taxes sufficient to pay the annual principal of and interest on the bonds may be imposed;

(4) the maximum rate of interest for the bonds to be authorized;

(5) the maturity date of the bonds to be authorized or that the bonds may be issued to mature over a specified number of years not to exceed 40 years from the date the bonds are issued;

(6) the following information formatted as a table, as of the date the political subdivision adopts the bond election order:

(A) the principal of all outstanding debt obligations of the political subdivision;

(B) the estimated remaining interest of all outstanding debt obligations of the political subdivision; and

(C) the estimated combined principal and interest required to pay all outstanding debt obligations of the political subdivision on time and in full;

(7) the following information formatted as a second table:

(A) as a total amount and, if the political subdivision is a municipality, county, or school district, as a per capita amount:

(i) the principal of the bonds to be authorized;

(ii) the estimated interest for the bonds to be authorized;

(iii) the estimated combined principal and interest required to pay the bonds to be authorized on time and in full;

(iv) as of the date the political subdivision



adopts the bond election order, the principal of all outstanding debt obligations of the political subdivision secured by ad valorem taxation;

(v) as of the date the political subdivision adopts the bond election order, the estimated remaining interest of all outstanding debt obligations of the political subdivision secured by ad valorem taxation; and

(vi) as of the date the political subdivision adopts the bond election order, the estimated combined principal and interest required to pay all outstanding debt obligations of the political subdivision secured by ad valorem taxation on time and in full;

(B) the property tax debt rate expressed in dollars per \$100 valuation of all taxable property in the political subdivision, stated as:

(i) the existing rate;

(ii) the estimated rate if the bonds are authorized; and

(iii) the estimated percentage increase in the rate if the bonds are authorized; and

(C) the amount of the property tax debt levy of the political subdivision per residence based on the current average residential property value in the political subdivision, stated as:

(i) the existing levy;

(ii) the estimated levy if the bonds are authorized; and

(iii) the estimated percent increase in the levy if the bonds are authorized; and

(8) any other information that the political subdivision considers relevant or necessary to explain the values required by Subdivisions (4), (5), (6), and (7), including:

(A) an amount required by Subdivision (7)(A) stated as a per capita amount if the political subdivision is not required to provide the amount under that paragraph;

(B) an explanation of the payment sources for the different types of debt; and

(C) a value for the following expressed as a projection as of the last day of the maximum term of the bonds to be authorized:

(i) a per capita amount required by Subdivision (7)(A);

(ii) an estimated rate required by Subdivision (7)(B)(ii); and

(iii) an estimated levy required by Subdivision (7)(C)(ii).

(d) Each voter information document required by Subsection (c) must be printed:

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

Sec. 1251.052. CONTENTS OF BALLOT PROPOSITION.

(a) The proposition submitted for an election to authorize a political subdivision to issue bonds must distinctly state:

(1) as a total amount and as a per capita amount:

(A) the then-current principal of all outstanding debt obligations of the political subdivision;

(B) the then-current combined principal and interest required to pay all outstanding debt obligations of the political subdivision on time and in full;

(C) the principal of the bonds to be authorized; and

(D) the estimated combined principal and interest required to pay the bonds to be authorized on time and in full;

(2) the purpose for which the bonds are to be authorized;

(3) the estimated rate of interest for the

(1) on not more than two pages that are not wider than 8-1/2 inches and not longer than 14 inches;

(2) in type not smaller than 12-point type; and

(3) in the form prescribed by the secretary of state.

(e) The governing body of the political subdivision must make a copy of each voter information document available to each individual attending the hearing.

(f) The secretary of state by rule shall prescribe the form of a voter information document.

(g) The Texas Ethics Commission shall provide guidelines for political subdivisions regarding how to conduct a hearing under this section and how to provide additional information on the form prescribed by the secretary of state under Subsection (f) without violating electioneering and political advertising laws, including Section 255.003, Election Code, and Section 11.169, Education Code.

(h) A good faith estimate in a voter information document of an estimate required by Subsections (c)(6) and (7) or an estimate or projection authorized by Subsection (c)(8) does not constitute a breach of contract with the voters solely because the estimate or projection is later determined to be incorrect.

No equivalent provision.

No equivalent provision.

bonds to be authorized; and  
(4) the maturity date of the bonds to be authorized.

(b) The requirements for a proposition prescribed by this section are in addition to any other requirements prescribed by law. To the extent of a conflict between this section and Section 52.072, Election Code, this section controls.

Sec. 1251.053. ONLINE SAMPLE BALLOT. A sample of the ballot printed for an election to authorize a political subdivision to issue bonds must be posted on the political subdivision's Internet website as soon as practicable after the official ballots have been prepared and must remain posted until the day following the election.

Sec. 1251.054. FORM OF BALLOT. The secretary of state shall prescribe a form of the ballot for an election held under this subchapter. A political subdivision is not required to use the form.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 13. Section 140.005, Local Government Code, is transferred to

83R 23772

Substitute Document Number: 83R 20279

No equivalent provision.

Sec. 1251.053. ONLINE SAMPLE BALLOT. The governing body of a political subdivision shall take action to ensure that a sample of the ballot printed for an election to authorize a political subdivision to issue bonds is posted on the political subdivision's Internet website, or on a website as authorized by Section 1251.054(b)(2), as soon as practicable after the official ballots have been prepared and remains posted until the day following the election.

No equivalent provision.

Sec. 1251.054. INTERNET WEBSITE.

(a) Except as provided by Subsection (b), a political subdivision shall maintain or cause to be maintained an Internet website to comply with this subchapter.

(b) This subsection does not apply to a county or municipality with a population of more than 2,000 or a school district or a junior college district. If a political subdivision did not maintain an Internet website or cause a website to be maintained on January 1, 2013, the political subdivision shall post the information required by Section 1251.052 on:

(1) the political subdivision's website, if the political subdivision chooses to maintain the website or cause the website to be maintained; or

(2) a website in which the political subdivision controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the political subdivision on the Internet.

SECTION 14. Section 140.005, Local Government Code, is transferred to

13.109.933

Subchapter D, Chapter 12, Education Code, redesignated as Section 12.1191, Education Code, and amended to read as follows:

Sec. 12.1191 [~~140.005~~]. ANNUAL FINANCIAL STATEMENT OF CHARTER SCHOOL [~~ROAD, OR OTHER DISTRICT~~]. (a) The governing body of an [a school district,] open-enrollment charter school [~~junior college district, or a district or authority organized under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution,~~] shall prepare an annual financial statement showing for each fund subject to the authority of the governing body during the fiscal year:

- (1) the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- (2) the total disbursements of the fund, itemized by the nature of the expenditure; and
- (3) the balance in the fund at the close of the fiscal year.

(b) The governing body of an open-enrollment charter school shall take action to ensure that the school's annual financial report is made available in the manner provided by Chapter 552, Government Code, and is posted continuously on the school's Internet website.

(c) An open-enrollment charter school shall maintain an Internet website to comply with this section.

SECTION 14. Chapter 140, Local Government Code, is amended by adding Section 140.008 to read as follows:

Sec. 140.008. ANNUAL FINANCIAL REPORT; DEBT INFORMATION. (a) In this section:

- (1) "Debt obligation" means an issued public security, as defined by Section 1201.002, Government Code.
- (2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

(b) A political subdivision shall prepare an annual financial report that includes:

- (1) financial information for each fund subject to the authority of the governing

Subchapter D, Chapter 12, Education Code, redesignated as Section 12.1191, Education Code, and amended to read as follows:

Sec. 12.1191 [~~140.005~~]. ANNUAL FINANCIAL STATEMENT OF CHARTER SCHOOL [~~ROAD, OR OTHER DISTRICT~~]. (a) The governing body of an [a school district,] open-enrollment charter school [~~junior college district, or a district or authority organized under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution,~~] shall prepare an annual financial statement showing for each fund subject to the authority of the governing body during the fiscal year:

- (1) the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- (2) the total disbursements of the fund, itemized by the nature of the expenditure; and
- (3) the balance in the fund at the close of the fiscal year.

(b) The governing body of an open-enrollment charter school shall take action to ensure that the school's annual financial report is made available in the manner provided by Chapter 552, Government Code, and is posted continuously on the school's Internet website.

(c) An open-enrollment charter school shall maintain **or cause to be maintained** an Internet website to comply with this section.

SECTION 15. Chapter 140, Local Government Code, is amended by adding Section 140.008 to read as follows:

Sec. 140.008. ANNUAL FINANCIAL REPORT; DEBT INFORMATION. (a) In this section:

- (1) "Debt obligation" means an issued public security, as defined by Section 1201.002, Government Code.
- (2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

(b) **Except as provided by Subsections (c) and (d),** a political subdivision shall prepare an annual financial report that includes:

- (1) financial information for each fund subject to the authority of the governing

body of the political subdivision during the fiscal year, including:

(A) the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;

(B) the total disbursements of the fund, itemized by the nature of the expenditure;

(C) the balance in the fund as of the last day of the fiscal year; and

(D) any other information required by law to be included by the political subdivision in an annual financial report or comparable annual financial statement, exhibit, or report; and

(2) then-current debt obligation information for the political subdivision that must state:

(A) as a total amount and as a per capita amount:

(i) the amount of all authorized debt obligations;

(ii) the principal of all outstanding debt obligations;

(iii) the principal of each outstanding debt obligation;

(iv) the combined principal and interest required to pay all outstanding debt obligations on time and in full; and

(v) the combined principal and interest required to pay each outstanding debt obligation on time and in full; and

(B) for each debt obligation:

(i) the issued and unissued amount;

(ii) the spent and unspent amount;

(iii) the maturity date; and

(iv) the stated purpose for which the debt obligation was authorized.

body of the political subdivision during the fiscal year, including:

(A) the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;

(B) the total disbursements of the fund, itemized by the nature of the expenditure;

(C) the balance in the fund as of the last day of the fiscal year; and

(D) any other information required by law to be included by the political subdivision in an annual financial report or comparable annual financial statement, exhibit, or report;

(2) as of the last day of the preceding fiscal year, debt obligation information for the political subdivision that must state:

(A) the amount of all authorized debt obligations;

(B) the principal of all outstanding debt obligations;

(C) the principal of each outstanding debt obligation;

(D) the combined principal and interest required to pay all outstanding debt obligations on time and in full;

(E) the combined principal and interest required to pay each outstanding debt obligation on time and in full;

(F) the amounts required by Paragraphs (A)-(E) limited to authorized and outstanding debt obligations secured by ad valorem taxation, expressed as a total amount and, if the political subdivision is a municipality, county, or school district, as a per capita amount; and

(G) the following for each debt obligation:

(i) the issued and unissued amount;

(ii) the spent and unspent amount;

(iii) the maturity date; and

(iv) the stated purpose for which the debt obligation was authorized; and

(3) any other information that the political subdivision considers relevant or necessary to explain the values required by Subdivisions (2)(A)-(F), including:

(A) an amount required by Subdivision (2)(F) stated as a per capita amount if the political subdivision is not required to provide the amount under that paragraph;

(B) an explanation of the payment sources

(c) The governing body of a political subdivision shall take action to ensure that:

(1) the political subdivision's annual financial report is made available for inspection by any person and is posted continuously on the political subdivision's Internet website; and

(2) the contact information for the main office of the political subdivision is continuously posted on the website, including the physical address, the mailing address, the main telephone number, and an e-mail address.

(d) A political subdivision shall maintain an Internet website to comply with this section.

for the different types of debt; and

(C) a projected per capita amount of an amount required by Subdivision (2)(F), as of the last day of the maximum term of the most recent debt obligation issued by the political subdivision.

(c) Instead of replicating in the annual financial report information required by Subsection (b) that is posted separately on the political subdivision's Internet website, or on a website as authorized by Subsection (g)(2), the political subdivision may provide in the report a direct link to, or a clear statement describing the location of, the separately posted information.

(d) As an alternative to preparing an annual financial report, a political subdivision may provide to the comptroller the information described by Subsection (b) and any other related information required by the comptroller in the form and in the manner prescribed by the comptroller. The comptroller shall post the information on the comptroller's Internet website in the format that the comptroller determines is appropriate. The political subdivision shall provide a link from the political subdivision's website, or a website as authorized by Subsection (g)(2), to the location on the comptroller's website where the political subdivision's financial information may be viewed. The comptroller shall adopt rules necessary to implement this subsection.

(e) Except as provided by Subsection (d), the governing body of a political subdivision shall take action to ensure that:

(1) the political subdivision's annual financial report is made available for inspection by any person and is posted continuously on the political subdivision's Internet website, or on a website as authorized by Subsection (g)(2), until the political subdivision posts the next annual financial report; and

(2) the contact information for the main office of the political subdivision is continuously posted on the website, including the physical address, the mailing address, the main telephone number, and an e-mail address.

(f) Except as provided by Subsection (g), a political subdivision shall maintain or cause to be maintained an Internet website to comply with this section.

(g) This subsection does not apply to a county or municipality with a population of more than 2,000 or a school district or a junior college district. If a political subdivision did not maintain an Internet website or cause a website to be maintained on January 1, 2013, the political subdivision shall post the information required by this section on:

(1) the political subdivision's website, if the political subdivision chooses to maintain the website or cause the website to be maintained; or

(2) a website in which the political subdivision controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the political subdivision on the Internet.

SECTION 15. Section 271.047, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) Except in a case of grave public necessity to meet an unusual and unforeseen condition, the governing body of an issuer may not authorize a certificate to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved.

SECTION 16. Section 271.047, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) Except as provided by this subsection, the governing body of an issuer may not authorize a certificate to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved.

A governing body may authorize a certificate that the governing body is otherwise prohibited from authorizing under this subsection:

(1) in a case described by Sections 271.056(1)-(3); and

(2) to comply with a state or federal law, rule, or regulation if the political subdivision has been officially notified of noncompliance with the law, rule, or regulation.

SECTION 16. Section 271.049, Local Government Code, is amended to read as follows:

**Sec. 271.049. NOTICE OF INTENTION TO ISSUE CERTIFICATES; PETITION AND ELECTION.**

(a) Regardless of the sources of payment of certificates, certificates may not be issued unless the issuer publishes notice of its

SECTION 17. Section 271.049, Local Government Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (e), (f), and (g) to read as follows:

(a) Regardless of the sources of payment of certificates, certificates may not be issued unless the issuer publishes notice of its

intention to issue the certificates. The notice must be published:

- (1) once a week for two consecutive weeks in a newspaper, as defined by Subchapter C, Chapter 2051, Government Code, that is of general circulation in the area of the issuer, with the date of the first publication to be before the 45th [30th] day before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates; and
- (2) continuously on the issuer's Internet website for at least 45 days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

(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 certificates;
- (2) the [maximum amount and] purpose of the certificates to be authorized; [and]
- (3) the manner in which the certificates will be paid for, whether by taxes, revenues, or a combination of the two;
- (4) the following, stated as a total amount and as a per capita amount:
  - (A) the then-current principal of all outstanding debt obligations of the issuer;
  - (B) the then-current combined principal and interest required to pay all outstanding debt obligations of the issuer on time and in full;

(C) the principal of the certificates to be authorized; and

- (D) the estimated combined principal and interest required to pay the certificates to be authorized on time and in full;
- (5) the estimated rate of interest for the certificates to be authorized;
- (6) the maturity date of the certificates to be authorized; and
- (7) the process by which a petition may be submitted requesting an election on the issuance of the certificates, in the following form:

"Five percent of the total number of voters

intention to issue the certificates. The notice must be published:

- (1) once a week for two consecutive weeks in a newspaper, as defined by Subchapter C, Chapter 2051, Government Code, that is of general circulation in the area of the issuer, with the date of the first publication to be before the 45th [30th] day before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates; and
- (2) continuously on the issuer's Internet website, or on a website as authorized by Subsection (f)(2), for at least 45 days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates and until the first day after the date the issuer adopts the order or ordinance.

(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 certificates;
- (2) the [maximum amount and] purpose of the certificates to be authorized; [and]
- (3) the manner in which the certificates will be paid for, whether by taxes, revenues, or a combination of the two;
- (4) as of the date the issuer adopts the order or ordinance, the principal of all outstanding debt obligations of the issuer;
- (5) as of the date the issuer adopts the order or ordinance, the estimated remaining interest of all outstanding debt obligations of the issuer;
- (6) as of the date the issuer adopts the order or ordinance, the estimated combined principal and interest required to pay all outstanding debt obligations of the issuer on time and in full;
- (7) the maximum principal of the certificates to be authorized; and

(8) the process by which a petition may be submitted requesting an election on the issuance of the certificates, in the following form:

"Five percent of the qualified voters of



of (name of issuer) that voted in the most recent gubernatorial general election may petition to require an election to be held authorizing the issuance of certificates of obligation by delivering a signed petition to the (insert "secretary or clerk" if the issuer is a municipality, or "county clerk" if the issuer is a county) of (name of issuer) before the date the governing body has set for the authorization of the certificates of obligation. Information about the requirements of the petition may be obtained from the (insert "secretary or clerk" if the issuer is a municipality, or "county clerk" if the issuer is a county) of (name of issuer)."[:-]

(c) If before the date tentatively set for the authorization of the issuance of the certificates or if before the authorization, the municipal secretary or clerk if the issuer is a municipality, or the county clerk if the issuer is a county, receives a petition signed by a number of qualified voters of the issuer equal to five percent or more of the number of votes cast in the municipality or county, as applicable, in the most recent gubernatorial general election [at least five percent of the qualified voters of the issuer] protesting the issuance of the certificates, the issuer may not authorize the issuance of the certificates unless the issuance is approved at an election ordered, held, and conducted in the manner provided for bond elections under Chapter 1251, Government Code.

(d) This section does not apply to certificates issued for the purposes described by Sections 271.056(1)-(3) [271.056(1)-(4)].

(e) An issuer shall maintain an Internet website to comply with this section.

(name of issuer) may petition to require an election to be held authorizing the issuance of certificates of obligation by delivering a signed petition to the (insert "secretary or clerk" if the issuer is a municipality, or "county clerk" if the issuer is a county) of (name of issuer) before the date the governing body has set for the authorization of the certificates of obligation. Information about the requirements of the petition may be obtained from the (insert "secretary or clerk" if the issuer is a municipality, or "county clerk" if the issuer is a county) of (name of issuer)."[:-]

(d) This section does not apply to certificates issued for the purposes described by Sections 271.056(1)-(3) [271.056(1)-(4)].

(e) Except as provided by Subsection (f), an issuer shall maintain or cause to be maintained an Internet website to comply with this section.

(f) This subsection does not apply to a county or municipality with a population of more than 2,000. If an issuer did not maintain an Internet website or cause a website to be maintained on January 1, 2013, the issuer shall post the information required by Subsection (b) on:

(1) the issuer's website, if the issuer chooses to maintain the website or cause the website to be maintained; or

(2) a website in which the issuer controls the content of the posting, including a social media site, provided that the information is

(f) In this section, "debt obligation" means an issued public security, as defined by Section 1201.002, Government Code.

SECTION 17. Title 1, Special District Local Laws Code, is amended by adding Chapter 2 to read as follows:

CHAPTER 2. REVIEW OF CERTAIN SPECIAL DISTRICTS

Sec. 2.001. DEFINITION. In this chapter, "special district" means a political subdivision of this state that has a limited geographic area, is created by local law or under general law for a special purpose, and is authorized to impose a tax, assessment, or fee. The term does not include a school district or junior college district.

Sec. 2.002. COMPREHENSIVE REVIEW REQUIRED. At least once every three years, the governing body of a special district shall conduct a comprehensive review of the district under this chapter to determine whether the district should be continued or dissolved.

Sec. 2.003. COMPREHENSIVE SELF-EVALUATION REPORT. (a) After conducting the review, the governing body must publish a written self-evaluation report not later than the 30th day before the date of the public hearing required by Section 2.005.

(b) The self-evaluation report must include:

- (1) an identification of the statutory provision authorizing the special district;
- (2) an identification of the mission, goals, and objectives intended for the special

easily found by searching the name of the issuer on the Internet.

(g) In this section, "debt obligation" means an issued public security, as defined by Section 1201.002, Government Code, that is payable from and secured by ad valorem taxes.

SECTION 18. Title 1, Special District Local Laws Code, is amended by adding Chapter 2 to read as follows:

CHAPTER 2. COMPREHENSIVE REVIEW OF CERTAIN SPECIAL DISTRICTS

Sec. 2.001. DEFINITION. In this chapter, "special district" means a political subdivision of this state that has a limited geographic area, is created by local law or under general law for a special purpose, and is authorized to impose a tax, assessment, or fee. The term does not include:

- (1) a school district;
- (2) a junior college district; or
- (3) a political subdivision that receives financial assistance through the state water implementation fund created by the 83rd Legislature, Regular Session, 2013.

Sec. 2.002. COMPREHENSIVE REVIEW REQUIRED. (a) At least once every six years, the governing body of a special district that has outstanding debt or imposes a tax, assessment, or fee shall conduct a comprehensive review of the district under this chapter.

(b) The governing body of a special district that issues debt or imposes a tax, assessment, or fee for the first time on or after September 1, 2013, shall conduct the first comprehensive review not later than the third anniversary of the date the governing body issues the debt or imposes the tax, assessment, or fee.

Sec. 2.003. COMPREHENSIVE SELF-EVALUATION REPORT. (a) After conducting the review, the governing body must publish a written self-evaluation report not later than the 30th day before the date of the public hearing required by Section 2.005.

(b) Except as provided by Subsection (c), the self-evaluation report must include:

- (1) an identification of the statutory provision authorizing the special district;
- (2) an identification of the purpose of the special district and an assessment of the

district and an assessment of the extent to which the mission, goals, and objectives have been achieved, have failed to be achieved, or are continuing to be achieved;

(3) an identification of the problem or need that the special district was created to address and an assessment of the extent to which the problem or need has been addressed, has failed to be addressed, or is continuing to be addressed;

(4) an identification of the activities of the special district that overlap or duplicate those of other governmental entities;

(5) an identification of each tax, assessment, fee, or penalty that the special district is authorized to impose or collect;

(6) a statement of the revenue collected by the special district and an assessment of whether the revenue exceeds the amount needed to accomplish the mission, goals, and objectives of the district;

(7) an identification of the special district's financial liabilities, including bonds and other obligations; and

(8) a determination of whether the special district should be continued or dissolved.

(c) The governing body must make the self-evaluation report available for inspection by any person. The governing body must take action to ensure that the self-evaluation report is posted continuously on the special district's Internet website.

Sec. 2.004. NOTICE OF HEARING. (a) Not earlier than the 30th day or later than the 15th day before the date of the hearing required by Section 2.005, the governing body of the special district must publish notice of the hearing in at least one newspaper of general circulation in the county in which the district is located and on the district's Internet website.

The notice on the website must remain posted until the conclusion of the hearing.

extent to which the purpose has been achieved, has failed to be achieved, or is continuing to be achieved;

(3) an identification of the activities of the special district that overlap or duplicate those of other governmental entities;

(4) an identification of each tax, assessment, fee, or penalty that the special district is authorized to impose or collect;

(5) a statement of the revenue collected by the special district and an assessment of whether the revenue exceeds the amount needed to accomplish the purpose of the district; and

(6) an identification of the special district's financial liabilities, including bonds and other obligations.

(c) Instead of replicating in the self-evaluation report information required by Subsection (b) that is posted separately on the special district's Internet website, or on a website as authorized by Section 2.006(b)(2), the district may provide in the report a direct link to, or a clear statement describing the location of, the separately posted information.

(d) The governing body must make the self-evaluation report available for inspection by any person. The governing body must take action to ensure that the self-evaluation report is posted continuously on the special district's Internet website, or on a website as authorized by Section 2.006(b)(2).

Sec. 2.004. NOTICE OF HEARING. (a) Not earlier than the 30th day or later than the 15th day before the date of the hearing required by Section 2.005, the governing body of the special district shall take action to ensure that the notice of the hearing is published in at least one newspaper of general circulation in the county in which the district is located and on the district's Internet website, or on a website as authorized by Section 2.006(b)(2). The notice on the website must remain posted until the conclusion of the hearing.

(b) The notice must contain a statement in the following form:  
"NOTICE OF PUBLIC MEETING TO DISCUSS THE CONTINUATION OF THE (INSERT NAME OF SPECIAL DISTRICT)

"The (insert name of the district) was created in (insert year) to (insert purpose for district's creation). The district imposes a (insert type of tax, assessment, or fee, as appropriate, and the appropriate rate or amount). State law requires the district to hold a hearing at least every three years to determine whether the district should be continued or dissolved. The hearing will be held on (insert date) at (insert time) at (insert location). A copy of the district's self-evaluation report is available at (insert the physical address of the district's main office, or the physical address of the main office of another local political subdivision if the district does not maintain an office, and the district's website address where the self-evaluation report is posted)."

Sec. 2.005. PUBLIC HEARING. (a) The governing body of a special district must conduct a public hearing at which persons interested in the continuation or dissolution of the district are given the opportunity to be heard.

(b) At the conclusion of the hearing, the governing body must vote on the question of whether the special district should be continued or dissolved. If the governing body votes to dissolve the district, the governing body shall take action to dissolve the district.

(c) Not later than the 10th day after the date of the public hearing, the governing body must post on the special district's Internet website:

- (1) the minutes of the hearing;
- (2) the estimated number of members of the public in attendance at the hearing; and
- (3) the number of witnesses testifying at the hearing.

Sec. 2.006. INTERNET WEBSITE.

A special district shall maintain an Internet website to comply with this chapter.

(b) The notice must contain a statement in the following form:  
"NOTICE OF PUBLIC MEETING TO CONSIDER THE COMPREHENSIVE SELF-EVALUATION REPORT OF THE (INSERT NAME OF SPECIAL DISTRICT)

"The (insert name of the district) was created in (insert year) to (insert purpose for district's creation). The district imposes a (insert type of tax, assessment, or fee, as appropriate, and the appropriate rate or amount). State law requires the district to hold a hearing at least every six years to consider the district's comprehensive self-evaluation report. The hearing will be held on (insert date) at (insert time) at (insert location). A copy of the district's comprehensive self-evaluation report is available at (insert the physical address of the district's main office, or the physical address of the main office of another local political subdivision if the district does not maintain an office, and the website address where the comprehensive self-evaluation report is posted)."

Sec. 2.005. PUBLIC HEARING. (a) The governing body of a special district must conduct a public hearing at which persons interested in the self-evaluation report are given the opportunity to be heard.

(b) Not later than the 10th day after the date of the public hearing, the governing body shall take action to ensure that the following is posted on the special district's Internet website, or on a website as authorized by Section 2.006(b)(2):

- (1) the minutes of the hearing;
- (2) the estimated number of members of the public in attendance at the hearing; and
- (3) the number of witnesses testifying at the hearing.

Sec. 2.006. INTERNET WEBSITE. (a) Except as provided by Subsection (b), a special district shall maintain or cause to be maintained an Internet website to comply with this chapter.

SECTION 18. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. REPORTING OF TAX RATES AND POSTING OF [TAX] RATES ON COUNTY'S INTERNET WEBSITE.

SECTION 19. Section 26.16, Tax Code, is amended by amending Subsections (a), (b), and (e) and adding Subsection (f) to read as follows:

(a) The county assessor-collector for each county, including those that do not participate in the assessment or collection of property taxes, shall maintain [that maintains] an Internet website.

The county assessor-collector shall post on the website [of the county] the following information for the most recent five tax years beginning with the 2012 tax year for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
  - (2) the maintenance and operations rate;
  - (3) the debt rate;
  - (4) the effective tax rate;
  - (5) the effective maintenance and operations rate; and
  - (6) the rollback tax rate.
- (b) Each taxing unit ~~[all or part of the territory of which is located in the county]~~ shall annually provide the information described by Subsection (a) pertaining to the

~~(b) If a special district did not maintain an Internet website or cause a website to be maintained on January 1, 2013, the special district shall post the information required by this chapter on:~~

~~(1) the special district's website, if the special district chooses to maintain the website or cause the website to be maintained; or~~

~~(2) a website in which the special district controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the special district on the Internet.~~

SECTION 19. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. REPORTING OF TAX RATES AND POSTING OF [TAX] RATES ON THE [COUNTY'S] INTERNET [WEBSITE].

SECTION 20. Section 26.16, Tax Code, is amended by amending Subsections (a), (b), and (e) and adding Subsections (f) and (g) to read as follows:

(a) Except as provided by Subsection (g), the [The] county assessor-collector for each county, including those that do not participate in the assessment or collection of property taxes, shall maintain or cause to be maintained [that maintains] an Internet website.

The county assessor-collector shall post on the assessor-collector's website or on the website of the county or shall provide on at least one of those websites a link to the location on the comptroller's website where may be viewed the following information for the most recent five tax years beginning with the 2012 tax year for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
  - (2) the maintenance and operations rate;
  - (3) the debt rate;
  - (4) the effective tax rate;
  - (5) the effective maintenance and operations rate; and
  - (6) the rollback tax rate.
- (b) Each taxing unit ~~[all or part of the territory of which is located in the county]~~ shall annually provide the information described by Subsection (a) pertaining to the

taxing unit to the county assessor-collector of each county in which all or part of the unit's territory is located ~~[annually]~~ following the adoption of a tax rate by the taxing unit for the current tax year. The chief appraiser of the appraisal district established in the county may assist the county assessor-collector in identifying the taxing units required to provide information to the assessor-collector.

(e) The county assessor-collector for each county shall report the tax rate information described by Subsection (a) for the current tax year to the comptroller.

(f) The comptroller by rule shall prescribe the time and manner in which the information described by this section is required to be reported and published ~~[presented]~~.

SECTION 20. Section 140.006, Local Government Code, is repealed.

SECTION 21. (a) Section 46.103, Education Code, as added by this Act, applies only to school district construction or renovation projects that are in progress on or are initiated on or after the effective date of this Act. A school district is not required to post information regarding projects that are completed on or before the effective date of this Act.

taxing unit to the county assessor-collector of each county in which all or part of the taxing unit's territory is located ~~[annually]~~ following the adoption of a tax rate by the taxing unit for the current tax year. The chief appraiser of the appraisal district established in the county may assist the county assessor-collector in identifying the taxing units required to provide information to the assessor-collector.

(e) The county assessor-collector for each county shall report the tax rate information described by Subsection (a) for the current tax year to the comptroller.

(f) The comptroller by rule shall prescribe the time and manner in which the information described by this section is required to be reported and published ~~[presented]~~.

(g) If a county assessor-collector or the county served by the assessor-collector did not maintain or cause to be maintained an Internet website on January 1, 2013, and the county has a population of 2,000 or less, the assessor-collector shall:

(1) post the information required by Subsection (a) on:

(A) the assessor-collector's or county's website, if the assessor-collector or county chooses to maintain the website or cause the website to be maintained; or

(B) a website in which the assessor-collector or county controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the county or the assessor-collector on the Internet; or

(2) provide on at least one website a link to the information on the comptroller's website, provided that the link is easily found by searching the name of the county or the assessor-collector on the Internet.

SECTION 21. Same as introduced version.

SECTION 22. (a) Section 46.101, Education Code, as added by this Act, applies to a school district or open-enrollment charter school beginning on the effective date of rules adopted by the commissioner of education under Section 46.101(b), Education Code, as added by this Act.

(b) Sections 1251.052 and 1251.053, Government Code, as added by this Act, apply only to a bond election ordered on or after the effective date of this Act. A bond election ordered before the effective date of this Act is governed by the law in effect when the bond election was ordered, and the former law is continued in effect for that purpose.

(c) Not later than January 1, 2014, the secretary of state shall make available on the secretary of state's Internet website a form of the ballot described by Section 1251.054, Government Code, as added by this Act.

(d) The governing body of a school district or junior college district required to publish an annual financial statement under former Section 140.006, Local Government Code, shall publish an annual financial statement for the last fiscal year ending before the effective date of this Act for which the district has not published an annual financial statement.

(e) Section 140.008, Local Government Code, as added by this Act, applies only to an annual financial report for a fiscal year ending on or after the effective date of this Act. An annual financial report for a fiscal year ending before the effective date of this Act is governed by the law in effect when the fiscal year ended, and the former law is continued in effect for that purpose.

(f) The changes in law made by this Act to Section 271.049, Local Government Code, apply only to a certificate of obligation for which the first notice of intention to issue the certificate is made on or after the effective date of this Act. A certificate of obligation for which the first notice of intention to issue the certificate is made before the effective date of this Act is governed by the law in effect when the notice of intention is made, and the former law is continued in effect for that purpose.

(g) The governing body of a special district to which Chapter 2, Special District Local Laws Code, as added by this Act, applies must conclude the first comprehensive

(b) Section 1251.052, Government Code, as added by this Act, applies only to a bond election ordered on or after the effective date of this Act. A bond election ordered before the effective date of this Act is governed by the law in effect when the bond election was ordered, and the former law is continued in effect for that purpose.

(c) Not later than January 1, 2014, the secretary of state shall make available on the secretary of state's Internet website a form of the voter information document described by Section 1251.052(c), Government Code, as added by this Act.

(d) Not later than January 1, 2014, the Texas Ethics Commission shall make available on the Texas Ethics Commission's Internet website the guidelines required by Section 1251.052(g), Government Code, as added by this Act.

(e) The governing body of a school district or junior college district required to publish an annual financial statement under former Section 140.006, Local Government Code, shall publish an annual financial statement for the last fiscal year ending before the effective date of this Act for which the district has not published an annual financial statement.

(f) Section 140.008, Local Government Code, as added by this Act, applies only to an annual financial report for a fiscal year ending on or after the effective date of this Act. An annual financial report for a fiscal year ending before the effective date of this Act is governed by the law in effect when the fiscal year ended, and the former law is continued in effect for that purpose.

(g) The changes in law made by this Act to Section 271.049, Local Government Code, apply only to a certificate of obligation for which the first notice of intention to issue the certificate is made on or after the effective date of this Act. A certificate of obligation for which the first notice of intention to issue the certificate is made before the effective date of this Act is governed by the law in effect when the notice of intention is made, and the former law is continued in effect for that purpose.

(h) The governing body of a special district to which Section 2.002, Special District Local Laws Code, as added by this Act, applies that has issued debt or imposed a

review cycle required by that chapter not later than September 1, 2014.

tax, assessment, or fee before the effective date of this Act must conclude the first comprehensive review cycle required by that section not later than September 1, 2014.

SECTION 22. This Act takes effect September 1, 2013.

SECTION 23. Same as introduced version.