

By: Williams

S.B. No. 1652

A BILL TO BE ENTITLED

AN ACT

relating to the fiscal transparency and accountability of certain entities responsible for public money.

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

SECTION 1. 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 2. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0117 to read as follows:

Sec. 403.0117. LOCAL TAX RATES PUBLISHED ON INTERNET. (a) The comptroller shall publish on the comptroller's Internet website, listed by county:

1 (1) the name of each political subdivision that
2 imposes a sales and use tax and the sales and use tax rate for the
3 political subdivision; and

4 (2) the tax rate information reported to the
5 comptroller by each county assessor-collector under Section
6 26.16(e), Tax Code.

7 (b) The comptroller shall update the information described
8 by Subsection (a) at least annually.

9 SECTION 3. Section 1202.008, Government Code, is amended to
10 read as follows:

11 Sec. 1202.008. COLLECTION AND REPORT OF INFORMATION ON
12 LOCAL [PUBLIC] SECURITIES [OF POLITICAL SUBDIVISIONS]. (a) In
13 this section, "local security" has the meaning assigned by Section
14 1231.001.

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

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

21 (1) the terms of each local security [~~the public~~
22 ~~securities~~];

23 (2) the debt service payable on each local security
24 [~~the public securities~~]; and

25 (3) other information required by the Bond Review
26 Board.

27 (d) [(c)] The attorney general shall send the information

1 to the Bond Review Board for inclusion in the reports required by
2 Sections [~~board's report of debt statistics under Section~~]
3 1231.062, 1231.104, and 1231.105.

4 (e) The attorney general may not approve a local security
5 under Section 1202.003 until the attorney general receives written
6 notification from the bond finance office at the Bond Review Board
7 that the office:

8 (1) has received the information required by
9 Subsection (c); or

10 (2) has agreed to a later date for the submission of
11 the information.

12 SECTION 4. The heading to Subtitle B, Title 9, Government
13 Code, is amended to read as follows:

14 SUBTITLE B. PROVISIONS APPLICABLE TO PUBLIC SECURITIES [~~ISSUED BY~~
15 ~~STATE GOVERNMENT~~]

16 SECTION 5. Section 1231.001, Government Code, is amended by
17 adding Subdivision (4) to read as follows:

18 (4) "Local security" means a public security as
19 defined by Section 1201.002, other than a state security.

20 SECTION 6. Section 1231.062(b), Government Code, is amended
21 to read as follows:

22 (b) A report must include:

23 (1) total debt service as a percentage of total
24 expenditures;

25 (2) total debt [~~tax-supported debt service as a~~
26 ~~percentage of general revenue expenditure,~~

27 [~~(3)~~] per capita [~~total debt~~];

1 (3) tax-supported debt [~~(4) per capita tax-supported~~
2 ~~debt,~~
3 ~~[(5) total debt and tax-supported debt as a percentage~~
4 ~~of personal income,~~
5 ~~[(6) total personal income per capita,~~
6 ~~[(7) total debt per capita as a percentage of total~~
7 ~~personal income] per capita;~~
8 (4) [~~(8)~~] total debt and tax-supported debt as a
9 percentage of real property valuations;
10 (5) [~~(9) total debt and tax-supported debt as a~~
11 ~~percentage of annual revenues and expenditures,~~
12 ~~[(10)] principal scheduled [~~required~~] to be repaid in~~
13 ~~five years,~~ and principal required to be repaid in 10 years, and
14 20 years;
15 (6) [~~(11) growth rates of total debt per capita and~~
16 ~~total debt per dollar of personal income,~~
17 ~~[(12)] recent issuances [~~trends in the issuance]~~] of~~
18 short-term notes;
19 (7) [~~(13)~~] recent trends in issuance costs;
20 (8) [~~(14)~~] savings from recent refundings;
21 (9) debt outstanding [~~(15) recent trends in~~
22 ~~capitalized interest use,~~
23 ~~[(16) debt service coverage ratios, if applicable];~~
24 and
25 (10) [~~(17)~~] other information the board considers
26 relevant.

27 SECTION 7. The heading to Section 1231.102, Government

1 Code, is amended to read as follows:

2 Sec. 1231.102. STATE SECURITIES ANNUAL REPORT.

3 SECTION 8. Subchapter F, Chapter 1231, Government Code, is
4 amended by adding Sections 1231.104, 1231.105, and 1231.106 to read
5 as follows:

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

9 (1) the amount of local securities outstanding;

10 (2) applicable repayment schedules; and

11 (3) other information the office considers relevant.

12 Sec. 1231.105. ONLINE ANNUAL LOCAL DEBT STATISTICS REPORT.

13 Not later than the 150th day after the end of each state fiscal
14 year, the bond finance office shall publish on the office's
15 Internet website a report that includes the statistical information
16 listed in Section 1231.062(b) for all local securities for the
17 preceding fiscal year.

18 Sec. 1231.106. REQUIRED INFORMATION. (a) An issuer of a
19 local security shall provide annually to the bond finance office,
20 and at other times required by the office, information that the
21 office determines necessary to administer the powers or duties of
22 the board or the office, including the preparation of any report.

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

26 SECTION 9. Section 140.005, Local Government Code, is
27 transferred to Subchapter D, Chapter 12, Education Code,

1 redesignated as Section 12.1191, Education Code, and amended to
2 read as follows:

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

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

15 (2) the total disbursements of the fund, itemized by
16 the nature of the expenditure; and

17 (3) the balance in the fund at the close of the fiscal
18 year.

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

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

26 SECTION 10. Chapter 140, Local Government Code, is amended
27 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 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

1 obligations;

2 (ii) the principal of all outstanding debt

3 obligations;

4 (iii) the principal of each outstanding

5 debt obligation;

6 (iv) the combined principal and interest

7 required to pay all outstanding debt obligations on time and in

8 full; and

9 (v) the combined principal and interest

10 required to pay each outstanding debt obligation on time and in

11 full; and

12 (B) for each debt obligation:

13 (i) the issued and unissued amount;

14 (ii) the spent and unspent amount;

15 (iii) the maturity date; and

16 (iv) the stated purpose for which the debt

17 obligation was authorized.

18 (c) The governing body of a political subdivision shall take

19 action to ensure that:

20 (1) the political subdivision's annual financial

21 report is made available for inspection by any person and is posted

22 continuously on the political subdivision's Internet website; and

23 (2) the contact information for the main office of the

24 political subdivision is continuously posted on the website,

25 including the physical address, the mailing address, the main

26 telephone number, and an e-mail address.

27 (d) A political subdivision shall maintain an Internet

1 website to comply with this section.

2 SECTION 11. The heading to Section 26.16, Tax Code, is
3 amended to read as follows:

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

6 SECTION 12. Section 26.16, Tax Code, is amended by amending
7 Subsections (a), (b), and (e) and adding Subsection (f) to read as
8 follows:

9 (a) The county assessor-collector for each county,
10 including those that do not participate in the assessment or
11 collection of property taxes, shall maintain [~~that maintains~~] an
12 Internet website. The county assessor-collector shall post on the
13 website [~~of the county~~] the following information for the most
14 recent five tax years beginning with the 2012 tax year for each
15 taxing unit all or part of the territory of which is located in the
16 county:

- 17 (1) the adopted tax rate;
18 (2) the maintenance and operations rate;
19 (3) the debt rate;
20 (4) the effective tax rate;
21 (5) the effective maintenance and operations rate; and
22 (6) the rollback tax rate.

23 (b) Each taxing unit [~~all or part of the territory of which~~
24 ~~is located in the county~~] shall annually provide the information
25 described by Subsection (a) pertaining to the taxing unit to the
26 county assessor-collector of each county in which all or part of the
27 unit's territory is located [~~annually~~] following the adoption of a

1 tax rate by the taxing unit for the current tax year. The chief
2 appraiser of the appraisal district established in the county may
3 assist the county assessor-collector in identifying the taxing
4 units required to provide information to the assessor-collector.

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

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

11 SECTION 13. Section 140.006, Local Government Code, is
12 repealed.

13 SECTION 14. (a) The governing body of a school district
14 or junior college district required to publish an annual financial
15 statement under former Section 140.006, Local Government Code,
16 shall publish an annual financial statement for the last fiscal
17 year ending before the effective date of this Act for which the
18 district has not published an annual financial statement.

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

25 SECTION 15. This Act takes effect September 1, 2013.