AN ACT
relating to the fiscal transparency and accountability of political subdivisions.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.008 to read as follows:

Sec. 140.008. ANNUAL REPORT OF CERTAIN FINANCIAL 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 annually compile and report the following financial information in the manner prescribed by this section:

(1) 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;

(2) the current credit rating given by any nationally
recognized credit rating organization to debt obligations of the
political subdivision; and

(3) any other information that the political
subdivision considers relevant or necessary to explain the values
required by Subdivisions (1)(A)-(F), including:

(A) an amount required by Subdivision (1)(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 for the
different types of debt; and
a projected per capita amount of an amount
required by Subdivision (1)(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 report information
required by Subsection (b) that is posted separately on the
political subdivision's Internet website, 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 providing an annual report under
Subsection (f), 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.
The comptroller may post the information in the format that the
comptroller determines appropriate, provided that the information
for each political subdivision is easily located by searching the
name of the political subdivision on the Internet. If the political
subdivision maintains an Internet website, the political
subdivision shall provide a link from the website 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) This subsection applies only to a municipality with a
population of less than 15,000 or a county with a population of less
than 35,000. As an alternative to providing an annual report under
Subsection (f), a municipality or county may provide to the
comptroller, in the form and in the manner prescribed by the
comptroller, a document that includes the information described by
Subsection (b). The comptroller shall post the information from
the document submitted under this subsection on the comptroller's
Internet website on a web page that is easily located by searching
the name of the municipality or county on the Internet. If the
municipality or county maintains or causes to be maintained an
Internet website, the municipality or county shall provide a link
from the website to the web page on the comptroller's website where
the information may be viewed. The comptroller shall adopt rules
necessary to implement this subsection.

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

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

(g) Notwithstanding any other provision of this section, a
district, as defined by Section 49.001, Water Code, satisfies the
requirements of this section if the district:
(1) complies with the requirements of Subchapter G, Chapter 49, Water Code, regarding audit reports, affidavits of financial dormancy, and annual financial reports; and

(2) submits the financial documents described by Subchapter G, Chapter 49, Water Code, to the comptroller.

(h) The comptroller shall post the documents submitted to the comptroller under Subsection (g) on the comptroller's Internet website. The comptroller shall adopt rules necessary to implement this subsection and Subsection (g).

SECTION 2. 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 3. The requirements to compile and report information under Section 140.008, Local Government Code, as added by this Act, apply only to a fiscal year ending on or after the
1 effective date of this Act.

2 SECTION 4. This Act takes effect January 1, 2016.
H.B. No. 1378

President of the Senate

I certify that H.B. No. 1378 was passed by the House on April 23, 2015, by the following vote: Yeas 139, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1378 on May 18, 2015, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1378 on May 28, 2015, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Speaker of the House

Chief Clerk of the House
H.B. No. 1378

I certify that H.B. No. 1378 was passed by the Senate, with amendments, on May 12, 2015, by the following vote: Yeas 30, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1378 on May 29, 2015, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: __________________

Date

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Governor