

By: Flynn, Murphy

H.B. No. 1378

Substitute the following for H.B. No. 1378:

By: Longoria

C.S.H.B. No. 1378

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the fiscal transparency and accountability of certain
3 entities responsible for public money.

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

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

7 Sec. 140.008. ANNUAL FINANCIAL REPORT; DEBT INFORMATION.

8 (a) In this section:

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

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

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

17 (1) financial information for each fund subject to the
18 authority of the governing body of the political subdivision during
19 the fiscal year, including:

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

24 (B) the total disbursements of the fund, itemized

1 by the nature of the expenditure;

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

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

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

10 (A) the amount of all authorized debt
11 obligations;

12 (B) the principal of all outstanding debt
13 obligations;

14 (C) the principal of each outstanding debt
15 obligation;

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

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

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

25 (G) the following for each debt obligation:

26 (i) the issued and unissued amount;

27 (ii) the spent and unspent amount;

1 (iii) the maturity date; and
2 (iv) the stated purpose for which the debt
3 obligation was authorized; and

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

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

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

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

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

22 (d) As an alternative to preparing an annual financial
23 report, a political subdivision may provide to the comptroller the
24 information described by Subsection (b) and any other related
25 information required by the comptroller in the form and in the
26 manner prescribed by the comptroller. The comptroller shall post
27 the information on the comptroller's Internet website in the format

1 that the comptroller determines is appropriate. The political
2 subdivision shall provide a link from the political subdivision's
3 website, or a website as authorized by Subsection (g)(2), to the
4 location on the comptroller's website where the political
5 subdivision's financial information may be viewed. The comptroller
6 shall adopt rules necessary to implement this subsection.

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

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

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

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

21 (g) This subsection does not apply to a county or
22 municipality with a population of more than 2,000 or a school
23 district or a junior college district. If a political subdivision
24 did not maintain an Internet website or cause a website to be
25 maintained on January 1, 2015, the political subdivision shall post
26 the information required by this section on:

27 (1) the political subdivision's website, if the

1 political subdivision chooses to maintain the website or cause the
2 website to be maintained; or

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

7 SECTION 2. Section 271.047, Local Government Code, is
8 amended by adding Subsection (d) to read as follows:

9 (d) Except as provided by this subsection, the governing
10 body of an issuer may not authorize a certificate to pay a
11 contractual obligation to be incurred if a bond proposition to
12 authorize the issuance of bonds for the same purpose was submitted
13 to the voters during the preceding three years and failed to be
14 approved. A governing body may authorize a certificate that the
15 governing body is otherwise prohibited from authorizing under this
16 subsection:

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

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

22 SECTION 3. Section 140.005, Local Government Code, is
23 transferred to Subchapter D, Chapter 12, Education Code,
24 redesignated as Section 12.1191, Education Code, and amended to
25 read as follows:

26 Sec. 12.1191 [~~140.005~~]. ANNUAL FINANCIAL STATEMENT OF
27 CHARTER SCHOOL [~~, ROAD, OR OTHER DISTRICT~~]. (a) The governing body

1 of an [~~a school district,~~] open-enrollment charter school [~~, junior~~
2 ~~college district, or a district or authority organized under~~
3 ~~Article III, Section 52, or Article XVI, Section 59, of the Texas~~
4 ~~Constitution,~~] shall prepare an annual financial statement showing
5 for each fund subject to the authority of the governing body during
6 the fiscal year:

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

11 (2) the total disbursements of the fund, itemized by
12 the nature of the expenditure; and

13 (3) the balance in the fund at the close of the fiscal
14 year.

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

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

23 SECTION 4. Section 140.006, Local Government Code, is
24 repealed.

25 SECTION 5. The repeal by this Act of Section 140.006, Local
26 Government Code, does not apply to the publication of an annual
27 financial statement for a district's fiscal year ending before the

1 effective date of this Act. The publication of an annual financial
2 statement for a district's fiscal year ending before the effective
3 date of this Act is governed by the law in effect when the fiscal
4 year ended, and the former law is continued in effect for that
5 purpose.

6 SECTION 6. Section 140.008, Local Government Code, as added
7 by this Act, applies only to an annual financial report for a fiscal
8 year ending on or after the effective date of this Act. An annual
9 financial report for a fiscal year ending before the effective date
10 of this Act is governed by the law in effect when the fiscal year
11 ended, and the former law is continued in effect for that purpose.

12 SECTION 7. This Act takes effect September 1, 2015.