A BILL TO BE ENTITLED
AN ACT
Relating to annual financial reporting of debt information.

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

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 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 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.