

By: Campbell, et al.
(Goldman)

S.B. No. 310

Substitute the following for S.B. No. 310:

By: Parker

C.S.S.B. No. 310

A BILL TO BE ENTITLED

1 AN ACT
2 relating to procedures and requirements for the issuance of
3 certificates of obligation.

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

5 SECTION 1. Section 271.047, Local Government Code, is
6 amended by adding Subsection (d) to read as follows:

7 (d) The governing body of an issuer may not authorize a
8 certificate to pay a contractual obligation to be incurred if a bond
9 proposition to authorize the issuance of bonds for the same purpose
10 was submitted to the voters during the preceding three years and
11 failed to be approved except:

12 (1) in a case of grave public necessity to meet an
13 unusual and unforeseen condition; or

14 (2) if necessary to comply with:

15 (A) an order of a state or federal court; or

16 (B) a final decision or order of a state or
17 federal administrative body.

18 SECTION 2. Section 271.049, Local Government Code, is
19 amended to read as follows:

20 Sec. 271.049. NOTICE OF INTENTION TO ISSUE CERTIFICATES;
21 PETITION AND ELECTION. (a) Regardless of the sources of payment of
22 certificates, certificates may not be issued unless the issuer
23 publishes notice of its intention to issue the certificates. The
24 notice must be published:

1 (1) once a week for two consecutive weeks in a
2 newspaper, as defined by Subchapter C, Chapter 2051, Government
3 Code, that is of general circulation in the area of the issuer, with
4 the date of the first publication to be before the 45th [~~30th~~] day
5 before the date tentatively set for the passage of the order or
6 ordinance authorizing the issuance of the certificates; and

7 (2) continuously on the issuer's Internet website for
8 at least 45 days before the date tentatively set for the passage of
9 the order or ordinance authorizing the issuance of the
10 certificates.

11 (b) The notice must state:

12 (1) the time and place tentatively set for the passage
13 of the order or ordinance authorizing the issuance of the
14 certificates;

15 (2) the [~~maximum amount and~~] purpose of the
16 certificates to be authorized; [~~and~~]

17 (3) the manner in which the certificates will be paid
18 for, whether by taxes, revenues, or a combination of the two; and

19 (4) the following, stated as a total amount and as a
20 per capita amount:

21 (A) the then-current principal of all
22 outstanding debt obligations of the issuer;

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

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

1 (D) the estimated combined principal and
2 interest required to pay the certificates to be authorized on time
3 and in full;

4 (5) the estimated rate of interest for the
5 certificates to be authorized;

6 (6) the maturity date of the certificates to be
7 authorized; and

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

11 "Five percent of the registered voters of (name of issuer)
12 may petition to require an election to be held authorizing the
13 issuance of certificates of obligation by delivering a signed
14 petition to the (insert "secretary or clerk" if the issuer is a
15 municipality, or "county clerk" if the issuer is a county) of (name
16 of issuer) before the date the governing body has set for the
17 authorization of the certificates of obligation. Information about
18 the requirements of the petition may be obtained from the (insert
19 "secretary or clerk" if the issuer is a municipality, or "county
20 clerk" if the issuer is a county) of (name of issuer)."~~[-]~~

21 (c) If before the date tentatively set for the authorization
22 of the issuance of the certificates or if before the authorization,
23 the municipal secretary or clerk if the issuer is a municipality, or
24 the county clerk if the issuer is a county, receives a petition
25 signed by at least five percent of the registered ~~[qualified]~~
26 voters of the issuer protesting the issuance of the certificates,
27 the issuer may not authorize the issuance of the certificates

1 unless the issuance is approved at an election ordered, held, and
2 conducted in the manner provided for bond elections under Chapter
3 1251, Government Code.

4 (d) This section does not apply to certificates issued for
5 the purposes described by Sections 271.056(1)-(3)
6 [~~271.056(1)-(4)~~].

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

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

11 SECTION 3. The changes in law made by this Act to Section
12 271.049, Local Government Code, apply only to a certificate of
13 obligation for which the first notice of intention to issue the
14 certificate is made on or after the effective date of this Act. A
15 certificate of obligation for which the first notice of intention
16 to issue the certificate is made before the effective date of this
17 Act is governed by the law in effect when the notice of intention is
18 made, and the former law is continued in effect for that purpose.

19 SECTION 4. This Act takes effect September 1, 2015.