

1-1 By: Campbell, Kolthorst S.B. No. 310
 1-2 (In the Senate - Filed January 15, 2015; February 2, 2015,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; May 8, 2015, reported favorably by the following vote:
 1-5 Yeas 5, Nays 2; May 8, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11		X		
1-12		X		
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to procedures and requirements for the issuance of
 1-18 certificates of obligation.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 271.047, Local Government Code, is
 1-21 amended by adding Subsection (d) to read as follows:

1-22 (d) Except in a case of grave public necessity to meet an
 1-23 unusual and unforeseen condition, the governing body of an issuer
 1-24 may not authorize a certificate to pay a contractual obligation to
 1-25 be incurred if a bond proposition to authorize the issuance of bonds
 1-26 for the same purpose was submitted to the voters during the
 1-27 preceding three years and failed to be approved.

1-28 SECTION 2. Section 271.049, Local Government Code, is
 1-29 amended to read as follows:

1-30 Sec. 271.049. NOTICE OF INTENTION TO ISSUE CERTIFICATES;
 1-31 PETITION AND ELECTION. (a) Regardless of the sources of payment
 1-32 of certificates, certificates may not be issued unless the issuer
 1-33 publishes notice of its intention to issue the certificates. The
 1-34 notice must be published:

1-35 (1) once a week for two consecutive weeks in a
 1-36 newspaper, as defined by Subchapter C, Chapter 2051, Government
 1-37 Code, that is of general circulation in the area of the issuer, with
 1-38 the date of the first publication to be before the 45th [30th] day
 1-39 before the date tentatively set for the passage of the order or
 1-40 ordinance authorizing the issuance of the certificates; and

1-41 (2) continuously on the issuer's Internet website for
 1-42 at least 45 days before the date tentatively set for the passage of
 1-43 the order or ordinance authorizing the issuance of the
 1-44 certificates.

1-45 (b) The notice must state:

1-46 (1) the time and place tentatively set for the passage
 1-47 of the order or ordinance authorizing the issuance of the
 1-48 certificates;

1-49 (2) the ~~[maximum amount and]~~ purpose of the
 1-50 certificates to be authorized; ~~[and]~~

1-51 (3) the manner in which the certificates will be paid
 1-52 for, whether by taxes, revenues, or a combination of the two;

1-53 (4) the following, stated as a total amount and as a
 1-54 per capita amount:

1-55 (A) the then-current principal of all
 1-56 outstanding debt obligations of the issuer;

1-57 (B) the then-current combined principal and
 1-58 interest required to pay all outstanding debt obligations of the
 1-59 issuer on time and in full;

1-60 (C) the principal of the certificates to be
 1-61 authorized; and

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

2-4 (5) the estimated rate of interest for the
 2-5 certificates to be authorized;

2-6 (6) the maturity date of the certificates to be
 2-7 authorized; and

2-8 (7) the process by which a petition may be submitted
 2-9 requesting an election on the issuance of the certificates, in the
 2-10 following form:

2-11 "Five percent of the total number of voters of (name of
 2-12 issuer) that voted in the most recent gubernatorial general
 2-13 election may petition to require an election to be held authorizing
 2-14 the issuance of certificates of obligation by delivering a signed
 2-15 petition to the (insert "secretary or clerk" if the issuer is a
 2-16 municipality, or "county clerk" if the issuer is a county) of (name
 2-17 of issuer) before the date the governing body has set for the
 2-18 authorization of the certificates of obligation. Information about
 2-19 the requirements of the petition may be obtained from the (insert
 2-20 "secretary or clerk" if the issuer is a municipality, or "county
 2-21 clerk" if the issuer is a county) of (name of issuer)."~~[-]~~

2-22 (c) If before the date tentatively set for the authorization
 2-23 of the issuance of the certificates or if before the authorization,
 2-24 the municipal secretary or clerk if the issuer is a municipality, or
 2-25 the county clerk if the issuer is a county, receives a petition
 2-26 signed by a number of qualified voters of the issuer equal to five
 2-27 percent or more of the number of votes cast in the municipality or
 2-28 county, as applicable, in the most recent gubernatorial general
 2-29 election ~~[at least five percent of the qualified voters of the~~
 2-30 ~~issuer]~~ protesting the issuance of the certificates, the issuer may
 2-31 not authorize the issuance of the certificates unless the issuance
 2-32 is approved at an election ordered, held, and conducted in the
 2-33 manner provided for bond elections under Chapter 1251, Government
 2-34 Code.

2-35 (d) This section does not apply to certificates issued for
 2-36 the purposes described by Sections 271.056(1)-(3)
 2-37 [~~271.056(1)-(4)~~].

2-38 (e) An issuer shall maintain an Internet website to comply
 2-39 with this section.

2-40 (f) In this section, "debt obligation" means an issued
 2-41 public security, as defined by Section 1201.002, Government Code.

2-42 SECTION 3. The changes in law made by this Act to Section
 2-43 271.049, Local Government Code, apply only to a certificate of
 2-44 obligation for which the first notice of intention to issue the
 2-45 certificate is made on or after the effective date of this Act. A
 2-46 certificate of obligation for which the first notice of intention
 2-47 to issue the certificate is made before the effective date of this
 2-48 Act is governed by the law in effect when the notice of intention is
 2-49 made, and the former law is continued in effect for that purpose.

2-50 SECTION 4. This Act takes effect September 1, 2015.

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