

By: Perry

S.B. No. 506

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of a political subdivision of this state
3 to execute certain contracts for the use or acquisition of personal
4 property.

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

6 SECTION 1. Section 271.005(a), Local Government Code, is
7 amended to read as follows:

8 (a) Subject to Section 271.0055, the ~~The~~ governing body of
9 a governmental agency may execute, perform, and make payments under
10 a contract with any person for the use or the purchase or other
11 acquisition of any personal property, or the financing thereof.
12 The contract is an obligation of the governmental agency. The
13 contract may:

14 (1) be on the terms considered appropriate by the
15 governing body;

16 (2) be in the form of a lease, a lease with an option or
17 options to purchase, an installment purchase, or any other form
18 considered appropriate by the governing body including that of an
19 instrument which would be required to be approved by the attorney
20 general under Chapter 1202, Government Code, provided that
21 contracts in such form must be approved by the attorney general in
22 accordance with the terms of that chapter;

23 (3) be for a term approved by the governing body and
24 contain an option or options to renew or extend the term; and

1 (4) be made payable from a pledge of all or any part of
2 any revenues, funds, or taxes available to the governmental agency
3 for its public purposes.

4 SECTION 2. Subchapter A, Chapter 271, Local Government
5 Code, is amended by adding Section 271.0055 to read as follows:

6 Sec. 271.0055. AUTHORIZATION OF CERTAIN CONTRACTS FOR
7 PERSONAL PROPERTY; NOTICE; PETITION AND ELECTION. (a) This section
8 applies only to a contract authorized by Section 271.005 that will
9 require an expenditure by a governmental agency of \$25,000 or more.

10 (b) The governing body of a governmental agency must approve
11 the execution of a contract by majority vote of the governing body
12 before the contract may be executed.

13 (c) Before the governing body of a governmental agency may
14 approve the execution of the contract, the governmental agency must
15 publish notice of the agency's intention to enter into the
16 contract. The notice must be published once a week for two
17 consecutive weeks in a newspaper with general circulation in the
18 area of the governmental agency, with the date of the first
19 publication to be before the 30th day before the date tentatively
20 set for the governing body's approval of the execution of the
21 contract.

22 (d) The notice must state:

23 (1) the time and place tentatively set for the
24 approval of the execution of the contract;

25 (2) the purpose and an estimate of the cost of the
26 contract; and

27 (3) the manner in which the amount required to be paid

1 under the contract by the agency will be paid, whether by taxes,
2 revenues, or a combination of funds.

3 (e) If, before the execution of the contract, the secretary
4 or clerk of the governmental agency receives a petition signed by at
5 least five percent of the qualified voters within the boundaries of
6 the governmental agency protesting the execution of the contract,
7 the governing body of the agency may not authorize the execution of
8 the contract unless the execution is approved at an election
9 ordered, held, and conducted in the manner provided for bond
10 elections under Chapter 1251, Government Code.

11 SECTION 3. Section 271.006(a), Local Government Code, is
12 amended to read as follows:

13 (a) In entering into the contract, a municipality must
14 comply with the requirements of Chapter 252 and a county must comply
15 with the requirements of Subchapter C, Chapter 262. However, the
16 municipality or county is not required to submit to a referendum the
17 question of entering into the contract, except as provided by
18 Section 271.0055(e).

19 SECTION 4. The changes in law made by Section 271.005(a),
20 Local Government Code, as amended by this Act, and Section
21 271.0055, Local Government Code, as added by this Act, apply only to
22 a contract authorized by Section 271.005, Local Government Code,
23 that is entered into on or after the effective date of this Act.

24 SECTION 5. This Act takes effect September 1, 2015.