

By: Goldman

H.B. No. 1356

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the notice of intention to issue certificates of
3 obligation.

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

5 SECTION 1. Section 271.049, Local Government Code, is
6 amended to read as follows:

7 Sec. 271.049. NOTICE OF INTENTION TO ISSUE CERTIFICATES;
8 PETITION AND ELECTION. (a) Regardless of the sources of payment of
9 certificates, certificates may not be issued unless the issuer
10 publishes notice of its intention to issue the certificates. The
11 notice must be published:

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

18 (2) continuously on the issuer's Internet website for
19 at least 45 days before the date tentatively set for the passage of
20 the order or ordinance authorizing the issuance of the
21 certificates.

22 (b) The notice must state:

23 (1) the time and place tentatively set for the passage
24 of the order or ordinance authorizing the issuance of the

1 certificates;

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

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

6 (4) the following, stated as a total amount and as a
7 per capita amount:

8 (A) the then-current principal of all
9 outstanding debt obligations of the issuer;

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

13 (C) the principal of the certificates to be
14 authorized; and

15 (D) the estimated combined principal and
16 interest required to pay the certificates to be authorized on time
17 and in full;

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

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

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

25 "Five percent of the registered voters of (name of issuer)
26 may petition to require an election to be held authorizing the
27 issuance of certificates of obligation by delivering a signed

1 petition to the (insert "secretary or clerk" if the issuer is a
2 municipality, or "county clerk" if the issuer is a county) of (name
3 of issuer) before the date the governing body has set for the
4 authorization of the certificates of obligation. Information about
5 the requirements of the petition may be obtained from the (insert
6 "secretary or clerk" if the issuer is a municipality, or "county
7 clerk" if the issuer is a county) of (name of issuer)."~~[.]~~

8 (c) If before the date tentatively set for the authorization
9 of the issuance of the certificates or if before the authorization,
10 the municipal secretary or clerk if the issuer is a municipality, or
11 the county clerk if the issuer is a county, receives a petition
12 signed by at least five percent of the registered ~~[qualified]~~
13 voters of the issuer protesting the issuance of the certificates,
14 the issuer may not authorize the issuance of the certificates
15 unless the issuance is approved at an election ordered, held, and
16 conducted in the manner provided for bond elections under Chapter
17 [1251](#), Government Code.

18 (d) This section does not apply to certificates issued for
19 the purposes described by Sections [271.056\(1\)-\(3\)](#)
20 ~~[[271.056\(1\)-\(4\)](#)]~~.

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

23 (f) In this section, "debt obligation" means an issued
24 public security, as defined by Section [1201.002](#), Government Code.

25 SECTION 2. The changes in law made by this Act apply only to
26 a certificate of obligation for which the first notice of intention
27 to issue the certificate is made on or after the effective date of

1 this Act. A certificate of obligation for which the first notice of
2 intention to issue the certificate is made before the effective
3 date of this Act is governed by the law in effect when the notice of
4 intention is made, and the former law is continued in effect for
5 that purpose.

6 SECTION 3. This Act takes effect September 1, 2017.