

By: Kolkhorst

S.B. No. 553

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 271.049, Local Government Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (e), (f), and (g) to read as follows:

(a) Regardless of the sources of payment of certificates, certificates may not be issued unless the issuer publishes notice of its intention to issue the certificates. The notice must be published:

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

(2) continuously on the issuer's Internet website, or on a website as authorized by Subsection (f)(2), for at least 30 days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates and until the first day after the date the issuer adopts the order or ordinance.

(b) The notice must state:

1           (1) the time and place tentatively set for the passage  
2 of the order or ordinance authorizing the issuance of the  
3 certificates;

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

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

8           (4) as of the date the issuer adopts the order or  
9 ordinance, the principal of all outstanding debt obligations of the  
10 issuer;

11           (5) as of the date the issuer adopts the order or  
12 ordinance, the estimated remaining interest of all outstanding debt  
13 obligations of the issuer;

14           (6) as of the date the issuer adopts the order or  
15 ordinance, the estimated combined principal and interest required  
16 to pay all outstanding debt obligations of the issuer on time and in  
17 full;

18           (7) the maximum principal of the certificates to be  
19 authorized; and

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

23           "Five percent of the qualified voters of (name of issuer) may  
24 petition to require an election to be held authorizing the issuance  
25 of certificates of obligation by delivering a signed petition to  
26 the (insert "secretary or clerk" if the issuer is a municipality, or  
27 "county clerk" if the issuer is a county) of (name of issuer)

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

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

(e) Except as provided by Subsection (f), an issuer shall maintain or cause to be maintained an Internet website to comply with this section.

(f) This subsection does not apply to a county or municipality with a population of more than 2,000. If an issuer did not maintain an Internet website or cause a website to be maintained on January 1, 2017, the issuer shall post the information required by Subsection (b) on:

(1) the issuer's website, if the issuer chooses to maintain the website or cause the website to be maintained; or

(2) a website in which the issuer controls the content of the posting, including a social media site, provided that the information is easily found by searching the name of the issuer on the Internet.

(g) In this section, "debt obligation" means an issued public security, as defined by Section [1201.002](#), Government Code, secured by property taxes.

SECTION 2. The changes in law made by this Act to Section [271.049](#), Local Government Code, apply only to a certificate of

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

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