

By: Murphy

H.B. No. 440

A BILL TO BE ENTITLED

AN ACT

1
2 relating to general obligation bonds issued by political
3 subdivisions.

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

5 SECTION 1. Section 4.003(f), Election Code, is amended to
6 read as follows:

7 (f) A debt obligation election order required under Section
8 3.009 shall be posted:

9 (1) on election day and during early voting by
10 personal appearance, in a prominent location at each polling place;

11 (2) not later than the 21st day before the election, in
12 three public places in the boundaries of the political subdivision
13 holding the election; and

14 (3) during the 21 days before the election, on the
15 political subdivision's Internet website, prominently and together
16 with the notice of the election, ~~and~~ the contents of the
17 proposition, and any sample ballot prepared for the election, if
18 the political subdivision maintains an Internet website.

19 SECTION 2. Section 85.062, Election Code, is amended by
20 adding Subsection (h) to read as follows:

21 (h) In an election at which a political subdivision submits
22 a proposition to the voters to approve the issuance of general
23 obligation bonds, the entity that establishes early voting polling
24 places under this section may not establish the polling places with

1 the intent to affect the outcome of the election.

2 SECTION 3. Subtitle C, Title 9, Government Code, is amended
3 by adding Chapter 1253 to read as follows:

4 CHAPTER 1253. GENERAL OBLIGATION BONDS ISSUED BY POLITICAL
5 SUBDIVISIONS

6 Sec. 1253.001. DEFINITION. In this chapter, "political
7 subdivision" means a county, municipality, school district, junior
8 college district, other special district, or other subdivision of
9 state government.

10 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL
11 OBLIGATION BONDS. (a) In this section, "improvement" and "personal
12 property" have the meanings assigned by Section 1.04, Tax Code.

13 (b) Notwithstanding any other provision of law, a political
14 subdivision may not issue general obligation bonds to purchase,
15 improve, or construct improvements or to purchase personal property
16 if the weighted average maturity of the issue of bonds to finance
17 the improvements or personal property exceeds 120 percent of the
18 reasonably expected weighted average economic life of the
19 improvements or personal property financed with the issue of bonds.

20 Sec. 1253.003. USE OF UNSPENT GENERAL OBLIGATION BOND
21 PROCEEDS. (a) A political subdivision may use the unspent proceeds
22 of issued general obligation bonds only:

23 (1) for the specific purposes for which the bonds were
24 authorized;

25 (2) to retire the bonds; or

26 (3) for a purpose other than the specific purposes for
27 which the bonds were authorized if:

1 (A) the specific purposes are accomplished or
2 abandoned; and

3 (B) a majority of the votes cast in an election
4 held in the political subdivision approve the use of the proceeds
5 for the proposed purpose.

6 (b) The election order and the notice of election for an
7 election described by Subsection (a)(3)(B) must state the proposed
8 purpose for which the bond proceeds are to be used.

9 (c) A political subdivision must hold an election described
10 by Subsection (a)(3)(B) in the same manner as an election to issue
11 bonds in the political subdivision.

12 SECTION 4. Chapter 1332, Government Code, is repealed.

13 SECTION 5. Section 1253.002, Government Code, as added by
14 this Act, applies only to a general obligation bond authorized to be
15 issued at an election held on or after the effective date of this
16 Act.

17 SECTION 6. This Act takes effect September 1, 2019.