

By: Metcalf

H.B. No. 2021

A BILL TO BE ENTITLED

AN ACT

relating to approval by voters prior to the issuance of revenue bonds by river authorities.

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

SECTION 1. The heading to Subtitle C, Title 9, Government Code, is amended to read as follows:

SUBTITLE C. PROVISIONS APPLICABLE TO SECURITIES ISSUED BY MORE THAN ONE TYPE OF LOCAL GOVERNMENT OR ENTITY

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

CHAPTER 1253. REVENUE BOND ELECTIONS FOR RIVER AUTHORITIES

Sec. 1253.001. DEFINITIONS. In this chapter:

(1) "Electric cooperative" has the meaning assigned by Section 11.003, Utilities Code.

(2) "Municipally owned utility" has the meaning assigned by Section 11.003, Utilities Code.

(3) "Retail electric provider" has the meaning assigned by Section 31.002, Utilities Code.

(4) "Retail public utility" has the meaning assigned by Section 13.002, Water Code.

(5) "Revenue bond" means a public security, as defined by Section 1201.002, that is secured wholly by revenue other than ad valorem taxes.

(6) "River authority" means a district created under

1 the authority of Section 59, Article XVI, Texas Constitution, as a  
2 regional water management entity to provide water development and  
3 planning services and other services to a river basin or portion of  
4 a river basin.

5 Sec. 1253.002. APPLICABILITY. This chapter applies only to  
6 river authorities.

7 Sec. 1253.003. REVENUE BOND ELECTION REQUIRED. (a) A river  
8 authority may not issue revenue bonds unless the issuance is first  
9 approved by a majority of voters in the authority's service area  
10 voting in an election held for that purpose.

11 (b) For the purposes of this section, the service area of a  
12 river authority includes the service area of any electric  
13 cooperative, municipally owned utility, retail electric provider,  
14 or retail public utility that has a contract with the river  
15 authority for the authority to provide electric power or water to  
16 the cooperative, provider, or utility.

17 (c) The Public Utility Commission of Texas shall determine  
18 the service area of a retail electric provider for the purposes of  
19 Subsection (b).

20 Sec. 1253.004. ORDERING AN ELECTION. (a) The governing  
21 body of the river authority shall order an election under this  
22 chapter in accordance with Chapter 3, Election Code.

23 (b) For an election under this chapter the governing body  
24 may order an election that is to be held partly outside of the  
25 territorial jurisdiction of the authority if necessary to comply  
26 with Section 1253.003.

27 Sec. 1253.005. CONTENTS OF ELECTION ORDER. (a) The

document ordering an election under this chapter must distinctly state:

(1) the proposition language that will appear on the ballot;

(2) the location of each polling place and the hours that the polls will be open;

(3) the purpose for which the revenue bonds are to be authorized;

(4) the principal amount of the revenue bonds to be authorized;

(5) that revenue sufficient to pay the annual principal of and interest on the revenue bonds is anticipated;

(6) any estimated changes in relevant rates or fees of the river authority, and any electric cooperatives, municipally owned utilities, retail electric providers, and retail public utilities in the service area of the river authority, as applicable, if the revenue bonds are authorized and the maximum interest rate of the revenue bonds or any series of the revenue bonds, based on the market conditions at the time of the election order;

(7) the maximum maturity date of the revenue bonds to be authorized or that the revenue bonds may be issued to mature over a specified number of years not to exceed 40;

(8) the aggregate amount of the outstanding principal of the river authority's issued revenue bonds as of the beginning of the fiscal year in which the election is ordered; and

(9) the aggregate amount of the outstanding interest

on the river authority's issued revenue bonds as of the beginning of the fiscal year in which the election is ordered.

Sec. 1253.006. CONTENTS OF PROPOSITION. The proposition submitted in the election must distinctly state:

(1) the purpose for which the revenue bonds are to be issued;

(2) the amount of the revenue bonds;

(3) the rate of interest on the revenue bonds; and

(4) the maturity date of the revenue bonds or that the revenue bonds may be issued to mature serially over a specified number of years not to exceed 40.

Sec. 1253.007. CONDUCT OF ELECTION. (a) The general election laws govern an election held under this chapter except as provided by this section.

(b) A revenue bond election must be held on a uniform election date provided by Section 41.001(a), Election Code.

(c) In addition to any notice required by Section 4.003(c), Election Code, notice of a revenue bond election must be given by:

(1) publishing notice of the election in a newspaper of general circulation published in the service area of the river authority; and

(2) publishing notice of the election on the river authority's Internet website, prominently and together with the election order prescribed by Section 1253.005.

(d) The notice required by Subsection (c)(1) must be published on the same day in each of three successive weeks. The first publication must be not less than 21 days before the date of

1 the election.

2 (e) The governing body of the river authority shall contract  
3 with the counties of the relevant service area to provide election  
4 services in a manner prescribed by Subchapter D, Chapter 31,  
5 Election Code.

6 Sec. 1253.008. BALLOT PROPOSITION. At the election, the  
7 ballots shall be printed to permit voting for or against the  
8 proposition: "The issuance of bonds."

9 Sec. 1253.009. CONFLICT WITH OTHER LAWS. This chapter  
10 prevails over a conflicting or inconsistent provision of a special  
11 law that governs a river authority.

12 Sec. 1253.010. NO ADDITIONAL AUTHORITY TO ISSUE BONDS.  
13 This chapter does not provide additional authority for a river  
14 authority to issue bonds.

15 SECTION 3. Chapter 1253, Government Code, as added by this  
16 Act, applies only to a bond issued on or after the effective date of  
17 this Act. A bond issued before the effective date of this Act is  
18 governed by the applicable law in effect before the effective date  
19 of this Act, and the former law is continued in effect for that  
20 purpose.

21 SECTION 4. This Act takes effect September 1, 2019.