

By: Paul

H.B. No. 2662

A BILL TO BE ENTITLED

AN ACT

relating to voter approval of the issuance of certain obligations by municipalities to pay their unfunded liabilities to a public pension fund.

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

SECTION 1. Section 107.003(a), Local Government Code, is amended to read as follows:

(a) Subject to Section 107.0035, a ~~[A]~~ municipality may issue obligations to fund all or any part of an unfunded liability.

SECTION 2. Chapter 107, Local Government Code, is amended by adding Section 107.0035 to read as follows:

Sec. 107.0035. VOTER APPROVAL REQUIRED FOR CERTAIN PENSION FUND OBLIGATIONS. A municipality may issue an obligation under Section 107.003 in an amount that exceeds \$50 million only if the issuance is approved by a majority of the qualified voters of the municipality voting at an election held for that purpose.

SECTION 3. Section 107.0036, Local Government Code, is repealed.

SECTION 4. Section 107.0035, Local Government Code, as added by this Act, applies only to obligations for which the governing body of a municipality executes an agreement under Section 107.003(b), Local Government Code, on or after the effective date of this Act.

SECTION 5. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2019.