

By: Campbell

S.B. No. 652

A BILL TO BE ENTITLED

AN ACT

relating to procedures and requirements for the issuance of certificates of obligation.

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

SECTION 1. Section 271.047(d), Local Government Code, is amended to read as follows:

(d) Except as provided by this subsection, the governing body of an issuer may not authorize a certificate to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding 10 [~~three~~] years and failed to be approved. A governing body may authorize a certificate that the governing body is otherwise prohibited from authorizing under this subsection:

(1) in a case described by Sections 271.056(1)-(3); and

(2) to comply with a state or federal law, rule, or regulation if the political subdivision has been officially notified of noncompliance with the law, rule, or regulation.

SECTION 2. Section 271.049, Local Government Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) Regardless of the sources of payment of certificates, certificates may not be issued unless the issuer publishes notice

1 of its intention to issue the certificates. The notice must be
2 published:

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

9 (2) continuously on the issuer's Internet website for
10 at least 30 days before the date tentatively set for the passage of
11 the order or ordinance authorizing the issuance of the
12 certificates.

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

15 SECTION 3. Section 271.049, Local Government Code, as
16 amended by this Act, applies only to a certificate of obligation for
17 which the first notice of intention to issue the certificate is made
18 on or after the effective date of this Act. A certificate of
19 obligation for which the first notice of intention to issue the
20 certificate is made before the effective date of this Act is
21 governed by the law in effect on the date the notice of intention is
22 made, and the former law is continued in effect for that purpose.

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