87R11187 SMT-F

By:  Johnson S.B. No. 2090

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain political subdivisions to issue anticipation notes and other obligations in the event of certain emergencies.

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

SECTION 1.  Section 1431.015, Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (d), (e), and (f) to read as follows:

(a)  In this section, "emergency" means the occurrence of:

(1)  widespread or severe damage, injury, or loss of life or property affecting an area in the jurisdiction of an issuer and resulting from a hurricane or tropical storm, including wind damage, fire damage, damage from wave action, or flood damage resulting from the hurricane or tropical storm;

(2)  a severe weather-related event other than a hurricane or tropical storm; or

(3)  an epidemic or pandemic.

(b)  Notwithstanding any other provision of this chapter, an issuer [~~located within 70 miles of the Gulf of Mexico or of a bay or inlet of the gulf~~] may authorize the issuance of an anticipation note or other obligation in the event of an emergency.

(d)  If the authorization of an anticipation note or other obligation issued under this section provides that the issuer intends to refinance the note or other obligation with refunding bonds, the note or obligation shall be treated as having the intended term and payment schedule of the refunding bonds for purposes of attorney general review and approval.

(e)  Notwithstanding any other provision of law, a determination by the governing body that the expenses incurred in connection with the issuance of anticipation notes or other obligations under this section are necessary to address the emergency is not subject to review by the attorney general.

(f)  Anticipation notes or other obligations to address the emergencies described by Subsection (a)(2) or (3) may only be delivered if the governor has:

(1)  issued the order or proclamation described by Subsection (c)(1); or

(2)  made the proclamation described by Subsection (c)(3).

SECTION 2.  The changes in law made by this Act apply only to anticipation notes or other debt obligations issued on or after the effective date of this Act. Anticipation notes or other debt obligations issued before the effective date of this Act are governed by the law in effect at the time the anticipation notes or other debt obligations were issued, and that law is continued in effect for that purpose.

SECTION 3.  The changes in law made by this Act apply to the issuance of anticipation notes or other debt obligations in response to a disaster declared or renewed before, on, or after the effective date of this Act.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.