

By: Metcalf

H.B. No. 4576

A BILL TO BE ENTITLED

AN ACT

relating to approval by voters prior to the issuance of revenue bonds by the San Jacinto River Authority.

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

SECTION 1. Sections 10 and 10b, Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, are amended to read as follows:

Sec. 10. The [~~San Jacinto River Conservation and Reclamation~~] District shall not be authorized to issue bonds payable from ad valorem taxes nor to incur any form of continuing obligations or indebtedness for purposes of effecting improvements comprehended in the plan of organization and administration of the District, nor incur any indebtedness in the form of a continuing charge upon land or properties within the District, unless such proposition shall have been submitted to the qualified property taxpaying voters of the District, or, in appropriate case, such voters of a defined area or political subdivision within the District, and approved by a majority of such electors voting thereon.

Section 10b. The Authority shall have the authority and is hereby authorized to issue from time to time its negotiable revenue bonds for the purpose of making investigations and assembling data; for the purposes of purchasing, acquiring, and/or condemning lands, easements, rights-of-way and other properties; and for the purpose

1 of constructing, repairing, improving and extending any
2 structures, dams, reservoirs, transmission facilities, water
3 treatment, water supply, sewage and other waste gathering,
4 transmission, treatment and disposal facilities, for developing
5 park and recreation facilities; and for the purposes of acquiring,
6 constructing, improving, repairing and extending any other
7 properties and facilities deemed appropriate by the Board of
8 Directors of the Authority in the exercise of powers granted the
9 Authority in Section 3 and elsewhere in this Act. Any one or more or
10 a combination of the foregoing purposes may be combined into a
11 single issue of bonds. Such bonds shall be issued in accordance
12 with, and may be secured by and payable from any or all the revenues
13 of the Authority permitted by, Section 10c hereof, including, but
14 not limited to, the proceeds of any one or more contracts between
15 the Authority and any persons, firms, corporations, cities and
16 political subdivisions. Revenue bonds issued under this section
17 must be approved in an election as described by Sections 11A, 11B,
18 11C, 11D, 11E, 11F, and 11G of this Act.

19 If and when the Legislature remits the ad valorem tax in the
20 counties for a certain period of years, the Directors may in their
21 discretion if necessary with approval of the Commissioners Court of
22 the county in the watershed use part or all of the taxes remitted to
23 said counties for the purpose of paying back to the United States of
24 America or any of its agencies or others the money borrowed by the
25 Authority for the purposes herein mentioned.

26 SECTION 2. Chapter 426, Acts of the 45th Legislature,
27 Regular Session, 1937, is amended by adding Sections 11A, 11B, 11C,

1 11D, 11E, 11F, and 11G to read as follows:

2 Sec. 11A. DEFINITIONS. In this Act:

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

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

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

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

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

14 Sec. 11B. REVENUE BOND ELECTION REQUIRED. (a) The District
15 may not issue revenue bonds unless the issuance is first approved by
16 a majority of voters in the service area of the District voting in a
17 revenue bond election held for that purpose.

18 (b) For the purposes of this section, the service area of
19 the District includes the service area of any electric cooperative,
20 municipally owned utility, retail electric provider, or retail
21 public utility that has a contract with the District for the
22 authority to provide electric power or water to the cooperative,
23 provider, or utility.

24 (c) The Public Utility Commission of Texas shall determine
25 the service area of a retail electric provider for the purposes of
26 Subsection (b) of this section.

27 Sec. 11C. ORDERING REVENUE BOND ELECTION. (a) The District

1 shall order a revenue bond election in accordance with Chapter 3,
2 Election Code.

3 (b) For a revenue bond election, the District may order an
4 election that is to be held partly outside of the territory of the
5 District if necessary to comply with Section 11B of this Act.

6 Sec. 11D. CONTENTS OF REVENUE BOND ELECTION ORDER. The
7 revenue bond election order must distinctly state:

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

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

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

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

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

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

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

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

4 (9) the aggregate amount of the outstanding interest
5 on the District's issued revenue bonds as of the beginning of the
6 fiscal year in which the election is ordered.

7 Sec. 11E. CONTENTS OF PROPOSITION. The proposition
8 submitted in the revenue bond election must distinctly state:

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

11 (2) the amount of the revenue bonds;

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

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

16 Sec. 11F. CONDUCT OF REVENUE BOND ELECTION. (a) The
17 general election laws govern a revenue bond election except as
18 provided by this section.

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

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

23 (1) publishing notice of the election in a newspaper
24 of general circulation published in the service area of the
25 District; and

26 (2) publishing notice of the election on the
27 District's Internet website, prominently and together with the

1 election order prescribed by Section 11D of this Act.

2 (d) The notice required by Subsection (c)(1) of this section
3 must be published on the same day in each of three successive weeks.
4 The first publication must be not less than 21 days before the date
5 of the revenue bond election.

6 (e) The District shall contract with the counties of the
7 relevant service area to provide election services in a manner
8 prescribed by Subchapter D, Chapter 31, Election Code.

9 Sec. 11G. BALLOT PROPOSITION. At a revenue bond election,
10 the ballots shall be printed to permit voting for or against the
11 proposition: "The issuance of bonds."

12 SECTION 3. Sections 11A, 11B, 11C, 11D, 11E, 11F, and 11G,
13 Chapter 426, Acts of the 45th Legislature, Regular Session, 1937,
14 as added by this Act, apply only to a revenue bond issued on or after
15 the effective date of this Act. A revenue bond issued before the
16 effective date of this Act is governed by the applicable law in
17 effect before the effective date of this Act, and the former law is
18 continued in effect for that purpose.

19 SECTION 4. (a) The legal notice of the intention to
20 introduce this Act, setting forth the general substance of this
21 Act, has been published as provided by law, and the notice and a
22 copy of this Act have been furnished to all persons, agencies,
23 officials, or entities to which they are required to be furnished
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
25 Government Code.

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

2 (c) The Texas Commission on Environmental Quality has filed
3 its recommendations relating to this Act with the governor,
4 lieutenant governor, and speaker of the house of representatives
5 within the required time.

6 (d) All requirements of the constitution and laws of this
7 state and the rules and procedures of the legislature with respect
8 to the notice, introduction, and passage of this Act have been
9 fulfilled and accomplished.

10 SECTION 5. This Act takes effect September 1, 2021.