

Amend HB 3899 (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 431.003(3), Transportation Code, is amended to read as follows:

(3) "Local government" means:

(A) a municipality;

(B) a county; or

(C) for purposes of Subchapter D or D-1:

(i) a navigation district, hospital district, or hospital authority;

(ii) a regional transportation authority governed by Chapter 452;

(iii) a rapid transit authority governed by Chapter 451; or

(iv) a coordinated county transportation authority governed by Chapter 460.

SECTION 2. Section 431.070(a), Transportation Code, is amended to read as follows:

(a) Subject to Subchapter D-1, a [A] corporation may issue bonds and notes to carry out its purpose.

SECTION 3. Section 431.101(b), Transportation Code, is amended to read as follows:

(b) Except as provided by Subchapter D-1, a [A] local government corporation has the powers of a corporation authorized for creation by the commission under this chapter.

SECTION 4. Chapter 431, Transportation Code, is amended by adding Subchapter D-1 to read as follows:

SUBCHAPTER D-1. ISSUANCE OF BONDS BY CERTAIN LOCAL GOVERNMENT
CORPORATIONS CREATED BY MUNICIPALITIES OR COUNTIES

Sec. 431.120. SHORT TITLE. This subchapter may be cited as
the No Blank Checks Act.

Sec. 431.121. APPLICABILITY OF SUBCHAPTER. This
subchapter applies to a local government corporation created by a
municipality or county independently or with another local
government that has entered into an agreement with a municipality
or county for the transfer to the corporation of revenue from an
increase in ad valorem taxes that was approved by the voters of the
municipality or county under Section 26.07, Tax Code, and dedicated
to the corporation for the purpose stated on the ballot.

Sec. 431.122. DEFINITION. In this subchapter, "bond"
includes a bond, warrant, certificate of obligation, or other
evidence of indebtedness that is payable in installments over a
period of more than one year.

Sec. 431.123. REQUIREMENTS FOR ISSUANCE OF BONDS; BOND
FINANCING. (a) Notwithstanding any other law, a local government
corporation may not issue bonds to be paid wholly or partly from ad
valorem taxes transferred from a municipality or county to the
corporation that were approved by the voters of the municipality or
county under Section 26.07, Tax Code.

(b) A local government corporation may issue bonds, other
than bonds described by Subsection (a), only if the local
government corporation obtains authorization to issue the bonds in
the same manner required for the municipality or county that
created the local government corporation to issue the bonds. Bonds
authorized under this subchapter to finance a project may be issued
in one or more series.

(c) If an election is required under Subsection (b) to
authorize a local government corporation to issue bonds, the
election held for purposes of this section must be:

(1) conducted as provided by Section 1251.003,
Government Code; and

(2) held in the municipality or county on the uniform
election date in November.

Sec. 431.124. FORM OF BALLOT. (a) A ballot proposition

for a measure seeking voter approval for the issuance of bonds under this subchapter must include:

(1) a plain language description of the purposes for which the bonds are to be authorized;

(2) the principal amount not to be exceeded in the aggregate of the bonds authorized to be issued in one or more series;

(3) the maximum maturity date of the bonds to be authorized, not to exceed 40 years; and

(4) the nature and source of funds to be used to wholly or partly pay the principal of and interest on the bonds.

(b) A proposition may include as a purpose one or more structures or improvements serving the substantially same purpose and may include related improvements and equipment necessary to accomplish the purpose.

Sec. 431.125. CONDITION OF BONDS. A bond authorized to be issued under this subchapter may not mature more than 40 years after the date the bond was issued.

SECTION 5. Section 1207.001(1), Government Code, is amended to read as follows:

(1) "Issuer" means this state or any department, board, authority, agency, subdivision, municipal corporation, district, public corporation, body politic, or instrumentality of this state which has the power to borrow money and issue bonds, notes, or other evidences of indebtedness. The term includes a county, municipality, state-supported institution of higher education, junior college district, regional college district, school district, hospital district, water district, road district, navigation district, conservation district, local government corporation, and any other kind or type of political or governmental entity.

SECTION 6. The change in law made by Subchapter D-1, Chapter 431, Transportation Code, as added by this Act, applies only to a bond issued on or after the effective date of this Act.

SECTION 7. 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, 2023.