

By: Bettencourt

S.B. No. 1791

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of bonds by certain local government corporations.

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

SECTION 1. 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 2. 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 3. 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. APPLICABILITY OF SUBCHAPTER. This subchapter applies to a local government corporation created by a municipality or county that has entered into an agreement with a municipality or county for the transfer of property tax revenue from the municipality or county to the corporation for a specific project.

Sec. 431.121. BOND ELECTION REQUIRED. (a) A local government corporation may not issue bonds to be paid wholly or

1 partly from ad valorem taxes approved by the voters of a
2 municipality or county under Section 26.07, Tax Code, to pay for a
3 specific project, unless the issuance is first approved by the
4 voters of the municipality or county in an election.

5 (b) An election held for purposes of this section must be
6 conducted as provided by Section 1251.003, Government Code.

7 (c) At an election ordered on the issuance of bonds under
8 this section, the governing body of the municipality or county
9 shall also submit the question of whether to impose a tax on
10 property in the municipality or county to pay interest on the bonds
11 and to provide a sinking fund to redeem the bonds.

12 Sec. 431.122. FORM OF BALLOT. (a) The ballot proposition
13 for a measure seeking voter approval for issuance of bonds under
14 this subchapter must include:

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

17 (2) the total principal amount of the bonds to be
18 authorized; and

19 (3) that the principal of and interest on the bonds
20 will be wholly or partly paid from property tax revenue.

21 (b) Each single specific purpose for which bonds requiring
22 voter approval are to be issued must be printed on the ballot as a
23 separate proposition. A proposition may include as a specific
24 purpose one or more structures or improvements serving the
25 substantially same purpose and may include related improvements and
26 equipment necessary to accomplish the specific purpose.

27 SECTION 4. The change in law made by Subchapter D-1, Chapter

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1 431, Transportation Code, as added by this Act, applies only to a
2 bond authorized to be issued on or after the effective date of this
3 Act.

4 SECTION 5. This Act takes effect September 1, 2023.