

1-1 By: Bettencourt S.B. No. 2035
 1-2 (In the Senate - Filed March 9, 2023; March 21, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 19, 2023, reported favorably by the following vote: Yeas 6,
 1-5 Nays 2; April 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt		X		
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker	X			
1-14 Paxton	X			
1-15 West		X		

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the issuance of certain anticipation notes and
 1-20 certificates of obligation.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 1431.002, Government Code, is amended by
 1-23 adding Subsection (d) to read as follows:

1-24 (d) Except as provided by this subsection, the governing
 1-25 body of an issuer may not authorize an anticipation note to pay a
 1-26 contractual obligation to be incurred if a bond proposition to
 1-27 authorize the issuance of bonds for the same purpose was submitted
 1-28 to the voters during the preceding five years and failed to be
 1-29 approved. The governing body of an issuer may authorize an
 1-30 anticipation note that the governing body is otherwise prohibited
 1-31 from authorizing under this subsection:

1-32 (1) in a case described by Section 271.056(1), (2), or
 1-33 (3), Local Government Code; and

1-34 (2) to comply with a state or federal law, rule, or
 1-35 regulation if the issuer has been officially notified of
 1-36 noncompliance with the law, rule, or regulation.

1-37 SECTION 2. Section 1431.003(b), Government Code, is amended
 1-38 to read as follows:

1-39 (b) Notwithstanding anything in this chapter to the
 1-40 contrary and except as provided by Section 1431.002(d), the
 1-41 governing body may exercise the authority granted to the governing
 1-42 body of an issuer with regard to issuance of obligations under
 1-43 Chapter 1371, except that the prohibition in that chapter on the
 1-44 repayment of an obligation with ad valorem taxes does not apply to
 1-45 an issuer exercising the authority granted by this section.

1-46 SECTION 3. Section 271.047(d), Local Government Code, is
 1-47 amended to read as follows:

1-48 (d) Except as provided by this subsection, the governing
 1-49 body of an issuer may not authorize a certificate to pay a
 1-50 contractual obligation to be incurred if a bond proposition to
 1-51 authorize the issuance of bonds for the same purpose was submitted
 1-52 to the voters during the preceding five [~~three~~] years and failed to
 1-53 be approved. A governing body may authorize a certificate that the
 1-54 governing body is otherwise prohibited from authorizing under this
 1-55 subsection:

1-56 (1) in a case described by Section 271.056(1), (2), or
 1-57 (3) [Sections 271.056(1)-(3)]; and

1-58 (2) to comply with a state or federal law, rule, or
 1-59 regulation if the political subdivision has been officially
 1-60 notified of noncompliance with the law, rule, or regulation.

1-61 SECTION 4. The changes in law made by this Act apply only to

2-1 an anticipation note or certificate of obligation authorized to be
2-2 issued on or after the effective date of this Act. An anticipation
2-3 note or certificate of obligation authorized to be issued before
2-4 the effective date of this Act is governed by the law in effect
2-5 immediately before the effective date of this Act, and the former
2-6 law is continued in effect for that purpose.
2-7 SECTION 5. This Act takes effect September 1, 2023.

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