

By: Tepper

H.B. No. 168

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of certificates of obligation by certain local governments.

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

SECTION 1. Sections 271.043(7) and (7-a), Local Government Code, are amended to read as follows:

(7) "Issuer" means a municipality or ~~county~~ ~~hospital district established under Chapter 281, Health and Safety Code~~.

(7-a) "Public work" ~~[for an issuer that is a municipality or county:]~~

~~[(A)]~~ means any of the following public improvements as authorized by law:

(A) ~~[(i) a street, road, highway, bridge, sidewalk, or parking structure;~~

~~[(ii)]~~ a landfill;

(B) ~~[(iii) an airport;~~

~~[(iv)]~~ a utility system, water supply project, water treatment plant, wastewater treatment plant, or water or wastewater conveyance facility;

(C) ~~[(v) a wharf or dock;~~

~~[(vi)]~~ a flood control and drainage project;

or

(D) ~~[(vii) a public safety facility, including] a~~

1 police station, fire station, first responder training facility  
2 [~~emergency shelter~~], jail, or juvenile detention facility[~~;~~

3 [~~(viii) a judicial facility;~~

4 [~~(ix) an administrative office building~~  
5 ~~housing the governmental functions of the municipality or county;~~

6 [~~(x) an animal shelter;~~

7 [~~(xi) a library; or~~

8 [~~(xii) a park or recreation facility that is~~  
9 ~~generally accessible to the public and is part of the municipal or~~  
10 ~~county park system;~~

11 [~~(B) means the rehabilitation, expansion,~~  
12 ~~reconstruction, or maintenance of an existing stadium, arena,~~  
13 ~~civic center, convention center, or coliseum that is owned and~~  
14 ~~operated by the municipality or county or by an entity created to~~  
15 ~~act on behalf of the municipality or county; and~~

16 [~~(C) does not include:~~

17 [~~(i) a facility for which more than 50~~  
18 ~~percent of the average annual usage is or is intended to be for~~  
19 ~~professional or semi-professional sports;~~

20 [~~(ii) a new stadium, arena, civic center,~~  
21 ~~convention center, or coliseum that is or is intended to be leased~~  
22 ~~by a single for-profit tenant for more than 180 days in a single~~  
23 ~~calendar year; or~~

24 [~~(iii) a hotel~~].

25 SECTION 2. Section 271.0461, Local Government Code, is  
26 amended to read as follows:

27 Sec. 271.0461. ADDITIONAL PURPOSE FOR CERTIFICATES:

1 DEMOLITION OF DANGEROUS STRUCTURES [~~OR RESTORATION OF HISTORIC~~  
2 ~~STRUCTURES~~]. Certificates may be issued by any municipality for  
3 the payment of contractual obligations to be incurred in  
4 demolishing dangerous structures [~~or restoring historic~~  
5 ~~structures~~] and may be sold for cash, subject to the restrictions  
6 and other conditions of Section 271.050.

7 SECTION 3. Section 271.047(c), Local Government Code, is  
8 amended to read as follows:

9 (c) A certificate may not mature over a period greater than  
10 30 [~~40~~] years from the date of the certificate and may not bear  
11 interest at a rate greater than that allowed by Chapter 1204,  
12 Government Code.

13 SECTION 4. Section 271.049(c), Local Government Code, is  
14 amended to read as follows:

15 (c) If before the date tentatively set for the authorization  
16 of the issuance of the certificates or if before the authorization,  
17 the municipal secretary or clerk if the issuer is a municipality,  
18 or the county clerk if the issuer is a county, receives a petition  
19 signed by at least two [~~five~~] percent of the registered [~~qualified~~]  
20 voters of the issuer protesting the issuance of the certificates,  
21 the issuer may not authorize the issuance of the certificates  
22 unless the issuance is approved at an election ordered, held, and  
23 conducted in the manner provided for bond elections under Chapter  
24 1251, Government Code.

25 SECTION 5. Section 271.0525(c), Local Government Code, is  
26 amended to read as follows:

27 (c) A petition to protest the issuance of refinancing

1 certificates under this section must be signed by at least two  
2 percent of the registered [~~a number of qualified~~] voters of the  
3 county [~~, residing in the county, equal to at least five percent~~  
4 ~~of the number of votes cast in that county for governor in the~~  
5 ~~most recent general election at which that office was filled~~].

6 SECTION 6. Section 271.046, Local Government Code, is  
7 repealed.

8 SECTION 7. The changes in law made by this Act apply only to  
9 a certificate of obligation issued on or after the effective date  
10 of this Act. A certificate of obligation issued before the  
11 effective date of this Act is governed by the law in effect on the  
12 date the certificate was issued, and the former law is continued  
13 in effect for that purpose.

14 SECTION 8. This Act takes effect on the 91st day after the  
15 last day of the legislative session.