

By: Gámez, Kerwin

H.B. No. 3483

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a special utility district to issue a public security.

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

SECTION 1. Section 1371.001(4), Government Code, is amended to read as follows:

(4) "Issuer" means:

(A) a home-rule municipality that:

(i) adopted its charter under Section 5, Article XI, Texas Constitution;

(ii) has a population of 50,000 or more; and

(iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation;

(B) a conservation and reclamation district created and organized as a river authority under Section 52, Article III, or Section 59, Article XVI, Texas Constitution;

(C) a joint powers agency organized and operating under Chapter 163, Utilities Code;

(D) a metropolitan rapid transit authority, regional transportation authority, or coordinated county transportation authority created, organized, or operating under Chapter 451, 452, or 460, Transportation Code;

1 (E) a conservation and reclamation district
2 organized or operating as a navigation district under Section 52,
3 Article III, or Section 59, Article XVI, Texas Constitution;

4 (F) a district organized or operating under
5 Section 59, Article XVI, Texas Constitution, that has all or part of
6 two or more municipalities within its boundaries;

7 (G) a state agency, including a state institution
8 of higher education;

9 (H) a hospital authority created or operating
10 under Chapter 262 or 264, Health and Safety Code, in a county that:

11 (i) has a population of more than 3.3
12 million; or

13 (ii) is included, in whole or in part, in a
14 standard metropolitan statistical area of this state that includes
15 a county with a population of more than 2.5 million;

16 (I) a hospital district in a county that has a
17 population of more than 2.5 million;

18 (J) a nonprofit corporation organized to
19 exercise the powers of a higher education loan authority under
20 Section 53B.47(e), Education Code;

21 (K) a county:

22 (i) that has a population of more than 3.3
23 million; or

24 (ii) that, on the date of issuance of
25 obligations under this chapter, has authorized, outstanding, or any
26 combination of authorized and outstanding, indebtedness of at least
27 \$100 million secured by and payable from the county's ad valorem

1 taxes and the authorized long-term indebtedness of which is rated
2 by a nationally recognized rating agency of securities issued by
3 local governments in one of the four highest rating categories for a
4 long-term obligation;

5 (L) an independent school district that has an
6 average daily attendance of 50,000 or more as determined under
7 Section 48.005, Education Code;

8 (M) a municipality or county operating under
9 Chapter 334, Local Government Code;

10 (N) a district created under Chapter 335, Local
11 Government Code;

12 (O) a junior college district that has a total
13 headcount enrollment of 40,000 or more based on enrollment in the
14 most recent regular semester; ~~or~~

15 (P) a conservation and reclamation district
16 organized or operating as a special utility district under Section
17 59, Article XVI, Texas Constitution, and Chapter 65, Water Code; or

18 (Q) an issuer, as defined by Section 1201.002,
19 that has:

20 (i) a principal amount of at least \$100
21 million in outstanding long-term indebtedness, in long-term
22 indebtedness proposed to be issued, or in a combination of
23 outstanding or proposed long-term indebtedness; and

24 (ii) some amount of long-term indebtedness
25 outstanding or proposed to be issued that is rated in one of the
26 four highest rating categories for long-term debt instruments by a
27 nationally recognized rating agency for municipal securities,

1 without regard to the effect of any credit agreement or other form
2 of credit enhancement entered into in connection with the
3 obligation.

4 SECTION 2. Section 65.501, Water Code, is amended to read as
5 follows:

6 Sec. 65.501. ISSUANCE OF BONDS AND NOTES. (a) A ~~[The]~~
7 district may issue its bonds or notes for the purpose of purchasing,
8 constructing, acquiring, owning, operating, repairing, improving,
9 or extending any district works, improvements, facilities, plants,
10 equipment, and appliances needed to accomplish the purposes listed
11 in Section 65.012 ~~[of this code]~~, including works, improvements,
12 facilities, plants, equipment, and appliances needed to provide a
13 waterworks system, sanitary sewer system, storm sewer system, or
14 solid waste disposal system, or to provide for solid waste
15 collection or fire-fighting services and facilities.

16 (b) Sections 49.181 and 49.182 do not apply to a district.

17 SECTION 3. This Act takes effect September 1, 2025.