

SUBJECT: Public security issuance authorization not challengeable by referendum

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 10 ayes — Y. Davis, C. Howard, Alvarado, Fletcher, Gutierrez, Kent, Mallory Caraway, Pierson, C. Turner, Walle

0 nays

1 absent — Miklos

SENATE VOTE: On final passage, April 16 — 31-0, on Local and Uncontested Calendar

WITNESSES: None

BACKGROUND: Government Code, sec. 1201.028 states that the issuance of a public security is effective immediately and would not require an additional meeting of the governing body of the security's issuer if the governing body:

- adopts a resolution, order, or ordinance calling an election to authorize the issuance and sale of a public security or approve the resources, revenue or income of the issuer that may be pledged for a public security;
- adopts a resolution, order, or ordinance canvassing the results of an election listed above, or;
- authorizes a public security.

DIGEST: SB 1619 would state that the actions taken by the governing body of a public security issuer that would be effective immediately also would not be subject to challenge by referendum.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.