

## **BILL ANALYSIS**

Senate Research Center  
86R8356 SMT-D

S.B. 652  
By: Campbell  
Property Tax  
4/7/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Recently Travis County voters rejected a bond proposition to build a new courthouse downtown, only to have the county ignore the will of the voters and issue a certificate of obligation for the same purpose three years later at a higher cost. Taxpayer advocates have noted that debt for the courthouse should have once again been presented before the voters, but fear of an uncertain outcome and lax restrictions in state law allowed them to circumvent the will of the people.

S.B. 652 seeks to address this issue by prohibiting city and county governments from issuing debt for the same purpose for which a bond failed to receive majority support during the preceding ten years. The bill would also require notice of a government entity's intention to issue a certificate of obligation be posted on their website continuously for at least 30 days prior to its passage.

As proposed, S.B. 652 amends current law relating to procedures and requirements for the issuance of certificates of obligation.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 271.047(d), Local Government Code, to prohibit the governing body of an issuer, except as provided by this subsection, from authorizing a certificate to pay a contractual obligation to be incurred if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding 10, rather than three, years and failed to be approved.

SECTION 2. Amends Section 271.049, Local Government Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Requires the issuer's required notice of intent to be published once a week for two consecutive weeks in a newspaper, as defined by Subchapter C (Certificate of Obligation or Order), Chapter 2051 (Government Documents, Publications, and Notices), Government Code, that is of general circulation in the area of the issuer, with the date of the first publication to be before the 30th day before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates and published continuously on the issuer's Internet website for at least 30 days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

(e) Requires an issuer to maintain an Internet website to comply with this section.

SECTION 3. Makes application of Section 271.049, Local Government Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2019.