

AN ACT

relating to the fiscal transparency and accountability of political subdivisions.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.008 to read as follows:

Sec. 140.008. ANNUAL REPORT OF CERTAIN FINANCIAL INFORMATION. (a) In this section:

(1) "Debt obligation" means an issued public security, as defined by Section 1201.002, Government Code.

(2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

(b) A political subdivision shall annually compile and report the following financial information in the manner prescribed by this section:

(1) as of the last day of the preceding fiscal year, debt obligation information for the political subdivision that must state:

(A) the amount of all authorized debt obligations;

(B) the principal of all outstanding debt obligations;

(C) the principal of each outstanding debt

1 obligation;

2 (D) the combined principal and interest required
3 to pay all outstanding debt obligations on time and in full;

4 (E) the combined principal and interest required
5 to pay each outstanding debt obligation on time and in full;

6 (F) the amounts required by Paragraphs (A)-(E)
7 limited to authorized and outstanding debt obligations secured by
8 ad valorem taxation, expressed as a total amount and, if the
9 political subdivision is a municipality, county, or school
10 district, as a per capita amount; and

11 (G) the following for each debt obligation:

12 (i) the issued and unissued amount;

13 (ii) the spent and unspent amount;

14 (iii) the maturity date; and

15 (iv) the stated purpose for which the debt
16 obligation was authorized;

17 (2) the current credit rating given by any nationally
18 recognized credit rating organization to debt obligations of the
19 political subdivision; and

20 (3) any other information that the political
21 subdivision considers relevant or necessary to explain the values
22 required by Subdivisions (1)(A)-(F), including:

23 (A) an amount required by Subdivision (1)(F)
24 stated as a per capita amount if the political subdivision is not
25 required to provide the amount under that paragraph;

26 (B) an explanation of the payment sources for the
27 different types of debt; and

1 (C) a projected per capita amount of an amount
2 required by Subdivision (1)(F), as of the last day of the maximum
3 term of the most recent debt obligation issued by the political
4 subdivision.

5 (c) Instead of replicating in the annual report information
6 required by Subsection (b) that is posted separately on the
7 political subdivision's Internet website, the political
8 subdivision may provide in the report a direct link to, or a clear
9 statement describing the location of, the separately posted
10 information.

11 (d) As an alternative to providing an annual report under
12 Subsection (f), a political subdivision may provide to the
13 comptroller the information described by Subsection (b) and any
14 other related information required by the comptroller in the form
15 and in the manner prescribed by the comptroller. The comptroller
16 shall post the information on the comptroller's Internet website.
17 The comptroller may post the information in the format that the
18 comptroller determines appropriate, provided that the information
19 for each political subdivision is easily located by searching the
20 name of the political subdivision on the Internet. If the political
21 subdivision maintains an Internet website, the political
22 subdivision shall provide a link from the website to the location on
23 the comptroller's website where the political subdivision's
24 financial information may be viewed. The comptroller shall adopt
25 rules necessary to implement this subsection.

26 (e) This subsection applies only to a municipality with a
27 population of less than 15,000 or a county with a population of less

1 than 35,000. As an alternative to providing an annual report under
2 Subsection (f), a municipality or county may provide to the
3 comptroller, in the form and in the manner prescribed by the
4 comptroller, a document that includes the information described by
5 Subsection (b). The comptroller shall post the information from
6 the document submitted under this subsection on the comptroller's
7 Internet website on a web page that is easily located by searching
8 the name of the municipality or county on the Internet. If the
9 municipality or county maintains or causes to be maintained an
10 Internet website, the municipality or county shall provide a link
11 from the website to the web page on the comptroller's website where
12 the information may be viewed. The comptroller shall adopt rules
13 necessary to implement this subsection.

14 (f) Except as provided by Subsection (d) or (e), the
15 governing body of a political subdivision shall take action to
16 ensure that:

17 (1) the political subdivision's annual report is made
18 available for inspection by any person and is posted continuously
19 on the political subdivision's Internet website until the political
20 subdivision posts the next annual report; and

21 (2) the contact information for the main office of the
22 political subdivision is continuously posted on the website,
23 including the physical address, the mailing address, the main
24 telephone number, and an e-mail address.

25 (g) Notwithstanding any other provision of this section, a
26 district, as defined by Section 49.001, Water Code, satisfies the
27 requirements of this section if the district:

1 (1) complies with the requirements of Subchapter G,
2 Chapter 49, Water Code, regarding audit reports, affidavits of
3 financial dormancy, and annual financial reports; and

4 (2) submits the financial documents described by
5 Subchapter G, Chapter 49, Water Code, to the comptroller.

6 (h) The comptroller shall post the documents submitted to
7 the comptroller under Subsection (g) on the comptroller's Internet
8 website. The comptroller shall adopt rules necessary to implement
9 this subsection and Subsection (g).

10 SECTION 2. Section [271.047](#), Local Government Code, is
11 amended by adding Subsection (d) to read as follows:

12 (d) Except as provided by this subsection, the governing
13 body of an issuer may not authorize a certificate to pay a
14 contractual obligation to be incurred if a bond proposition to
15 authorize the issuance of bonds for the same purpose was submitted
16 to the voters during the preceding three years and failed to be
17 approved. A governing body may authorize a certificate that the
18 governing body is otherwise prohibited from authorizing under this
19 subsection:

20 (1) in a case described by Sections [271.056\(1\)-\(3\)](#);
21 and

22 (2) to comply with a state or federal law, rule, or
23 regulation if the political subdivision has been officially
24 notified of noncompliance with the law, rule, or regulation.

25 SECTION 3. The requirements to compile and report
26 information under Section 140.008, Local Government Code, as added
27 by this Act, apply only to a fiscal year ending on or after the

1 effective date of this Act.

2 SECTION 4. This Act takes effect January 1, 2016.

President of the Senate

Speaker of the House

I certify that H.B. No. 1378 was passed by the House on April 23, 2015, by the following vote: Yeas 139, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1378 on May 18, 2015, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1378 on May 28, 2015, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 1378

I certify that H.B. No. 1378 was passed by the Senate, with amendments, on May 12, 2015, by the following vote: Yeas 30, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1378 on May 29, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor