

BILL ANALYSIS

Senate Research Center
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S.B. 1619
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many municipalities utilize tax notes to finance projects under Section 1431.001 (Definitions), Government Code. Section 1201 (Public Security Procedures Act), Government Code, applies to all types of public securities that can be issued by Texas municipalities and identifies the first date of adoption as the date upon which the ordinance authorizing the issuance of the public security becomes effective. This provision adds certainty to the marketplace which would otherwise be discouraged from purchasing debt obligations of Texas home rule municipalities obligated to follow their home rule charters which require multiple readings prior to the effective date of an ordinance. Despite this language, certain courts have held that the right to challenge or recall the adoption of a municipal ordinance by referendum extends to the authorizing or issuance of tax notes. This stops city progress and delays the financing of needed capital improvements and is contrary to the legislature's intent in Section 1201.028 (Single Meeting of Governing Body Sufficient), Government Code.

As proposed, S.B. 1619 provides that notwithstanding any other law, certain actions taken at a meeting of the governing body of an insurer are effective immediately, without requirement of a subsequent meeting, and are not subject to challenge by referendum.

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 1201.028, Government Code, as follows:

Sec. 1202.028. SINGLE MEETING OF GOVERNING BODY SUFFICIENT. Provides that notwithstanding any other law, including a provision in a municipal charter, certain actions taken at a meeting of the governing body of an issuer are effective immediately, without requirement of a subsequent meeting, and are not subject to challenge by referendum. Deletes existing text providing that notwithstanding any other law, including a provision in a municipal charter, certain actions taken at a meeting of the governing body of an issuer are effective immediately a subsequent meeting is not required.

SECTION 2. Effective date: upon passage or September 1, 2009.