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(a) Definitions

The following phrases, words and terms, when used in this subchapter shall have the following meanings.

(1) Annual Local Debt Report —the “annual report” referred to in the title of section 140.008, hereafter referred to as the “Annual Local Debt Report” is comprised of all items listed in subsection 140.008 (b) and (f):

A. regarding total authorized debt obligations:

1. the amount of all authorized debt obligations;
2. the principal of all outstanding debt obligations;
3. the combined principal and interest required to pay all outstanding debt obligations on time and in full;
4. the amount of all authorized debt obligations secured by property taxes;
5. the principal of all outstanding debt obligations secured by property taxes;
6. the combined principal and interest required to pay all outstanding debt obligations secured by property taxes on time and in full;
7. the amount of all authorized debt obligations secured by property taxes for municipalities, counties or school districts expressed as a per capita amount;
8. the principal of all outstanding debt obligations secured by property taxes for municipalities, counties or school districts expressed as a per capita amount;
9. the combined principal and interest required to pay all outstanding debt obligations on time and in full for all obligations secured by property taxes expressed as a per capita amount;
10. current credit rating on total debt obligations given by any nationally recognized credit rating organization;

B. regarding each authorized debt obligation:

11. the principal of each outstanding debt;
12. the principal of each outstanding debt obligation secured by property taxes for municipalities, counties or school districts expressed as a per capita amount;
13. the combined principal and interest required to pay each outstanding debt obligation on time and in full;

14. the combined principal and interest required to pay each outstanding debt obligation on time and in full for municipalities, counties or school districts expressed as a per capita amount;
 15. for each debt obligation, the issued and unissued amounts, the spent and unspent amounts, the maturity date and the stated purpose for which the debt obligation was authorized;
 16. current credit rating on each debt obligation given by any nationally recognized credit rating organization; and
 17. any other information considered relevant or necessary to explain the above required data elements, such as explanations of payment sources for different kinds of debt or projections of per capita amounts of ad-valorem taxation secured obligations as of the last day of the maximum term of the most recent debt obligation issued by the political subdivision.
- C. Additional details required in the local debt reporting listed in 140.008 (f) include:
18. The governing body of each political subdivision shall take action to ensure that their annual debt information is made available for inspection and posted continuously on its Internet website until it posts the next annual debt report.
 19. The governing body of a political subdivision shall take action to ensure that their main office contact information is continuously posted on their website, including the physical address, the mailing address, the main telephone number, and an email address.
- (2) Affidavit of financial dormancy—Water districts qualify as financially dormant if they have less than \$500 in receipts or disbursements, no bonds or liabilities, and no cash investments exceeding \$5,000 in a calendar year. They submit an affidavit attesting to this to comply with HB 1378.
 - (3) Combined principal and interest required to pay all outstanding debt obligations on time and in full--Total amount borrowed (par) that has yet to be repaid plus the cost of interest.
 - (4) Combined principal and interest required to pay all outstanding debt obligations secured by ad valorem taxation on time and in full--Total amount borrowed (par)of all property tax-secured obligations plus the cost of interest.
 - (5) Combined principal and interest required to pay all outstanding debt obligations secured by ad valorem taxation on time and in full as a per capita amount--Total debt obligations secured by a pledge of property taxes plus the cost of debt service on these obligations divided by the population of the political subdivision.
 - (6) Combined principal and interest required to pay each outstanding debt obligations on time and in full--total amount borrowed (par) plus the cost of interest for each individual debt obligation or bond series.

- (7) Current credit rating—Existing rating given by any nationally recognized credit rating organization to debt obligations.
- (8) Final maturity date—Final payment date of individual debt obligation at which point all principal and interest will be paid off.
- (9) Official stated purpose for which a debt obligation was authorized-- The reason for the debt issuance as defined in ballot language if applicable or the Official Statement.
- (10) Outstanding debt obligation—an issued public security that has yet to be repaid.
- (11) Outstanding principal—Total amount borrowed that has yet to be repaid.
- (12) Political subdivision—Political subdivisions are counties, municipalities, school districts, junior college districts, other special districts, or other subdivisions of state government (Local Government Code, section 140.008 (a) (2)).
- (13) Principal issued—the total amount borrowed.
- (14) Proceeds spent—the portion of total proceeds received that have been spent.
- (15) Proceeds unspent—the portion of total proceeds received that are remaining to be spent.
- (16) Secured in any way by ad valorem taxes—indicates which individual debt obligations are in part or whole pledged with property taxes.
- (17) Total authorized debt obligations—Debt obligations are defined as public securities which are instruments, including bonds, certificates, notes, or other types of obligations authorized to be issued by an issuer under a statute, a municipal home-rule charter, or the constitution of this state (Government Code section 1201.002 (2)). Issuance is the process of authorizing, selling and delivering public debt. Public security authorization means a resolution, order, or ordinance that is approved or adopted, or any other action taken in a proceeding, by the governing body of an issuer in authorizing the issuance of a public security (Government Code section 1201.002 (3)).
- (18) Total authorized debt obligations secured by ad valorem taxation—Total debt obligations secured by a pledge of property taxes.
- (19) Total authorized debt obligations secured by ad valorem taxation expressed as a per capita amount—Total authorized debt obligations secured by a pledge of property taxes divided by the population of the political subdivision.
- (20) Total principal of all outstanding debt obligations—Total amount borrowed (par) of all obligations that have yet to be repaid.
- (21) Total principal of all outstanding debt obligations secured by ad valorem taxation—Total amount borrowed (par) of obligations secured by a pledge of property taxes that have yet to be repaid.

(22) Total principal of outstanding debt obligations secured by ad valorem taxation as a per capita amount--Total amount borrowed (par) secured by a pledge of property taxes divided by the population of the political subdivision.

(23) Total proceeds received—total assets received from the sale of a new issue of public securities.

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(b) Form

- (1) The comptroller adopts by reference the following form:
 - A. Annual Local Debt Report form (Form to be numbered at a later date)
- (2) Copies of the form are available for inspection at the office of the Texas Register or may be obtained from the Comptroller of Public Accounts, PO Box 13528, Austin, Texas 78711-3528. The form may be viewed or downloaded from the comptroller's web site at <https://www.comptroller.texas.gov/transparency/local/hb1378/>. Copies may be requested by calling our toll free number, 844-519-5676 or emailing staff at transparency@cpa.texas.gov.
- (3) The comptroller may update the Annual Local Debt Report form as needed.

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(c) Political Subdivisions to Complete and Post Annual Local Debt Report

- (1) On an annual basis, and within 210 days of the end of each political subdivisions' fiscal year in 2016, and thereafter within 180 days of the end of the most recently completed fiscal year, all political subdivisions shall either:
 - a. submit via upload to the comptroller's web site the Local Annual Debt Report form provided by the comptroller and continually maintain a link from their website to the section of the comptroller's website specifically created for local debt reporting compliance: <https://www.comptroller.texas.gov/transparency/local/hb1378/>
 - b. OR may elect to post this information on their own web sites. While use of the Annual Local Debt Report form itself is optional, all items on it must be included in political subdivisions' debt reporting (See Annual Local Debt Report form adopted by reference and the Annual Local Debt Report definition in subsection (a) of these rules) [140.008(d)]
- (2) On an annual basis, and within 210 days of the end of Fiscal Year 2016, and thereafter within 180 days of the end of the most recently completed fiscal year, municipalities and counties with populations below 15,000 and 35,000, respectively, must either use the Annual Local Debt Report form provided by the Comptroller to record their local debt information and submit it via web upload to the Comptroller's web site OR may elect to post all required information as listed on the form on their own web site.
- (3) Cities and counties with populations below 15,000 and 35,000, respectively, electing to publish the required annual debt information on their web sites shall continually maintain a link from their site to the Comptroller's local debt site specifically created for annual local debt reporting compliance.
- (4) The governing body of each political subdivision posting their annual debt information on their own websites shall take action to ensure that this information is made available for inspection and posted continuously on its Internet website until it posts the next year's annual debt information.
- (5) The governing body of a political subdivision posting their annual debt information on their own websites shall take action to ensure that their main office contact information is continuously posted on their website, including the physical address, the mailing address, the main telephone number, and an email address.

(d) Water District Alternative

- (1) A district, as defined by Section 49.001, Water Code, satisfies the requirements of this section if the district submits via web upload one of the following to the comptroller's Office within 210 days of the end of the fiscal year completed in 2016 and thereafter, annually and within 180 days of the end of the most recently completed fiscal year: an annual financial report, an audit or an affidavit of financial dormancy. [140.008(h)]

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(e) Comptroller Provides Annual Local Debt Reporting Form and Either Posts Completed Annual Local Debt Report Forms or Documents for Political Subdivisions.

- (1) The comptroller receives the Annual Local Debt Reports from political subdivisions. [140.008(d)]
- (2) The comptroller posts Annual Local Debt Reports on its annual local debt reporting section of the comptroller website, making each political subdivision's report easily located via a search function. [140.008(d)]
- (3) The comptroller receives and posts Annual Local Debt Reports from cities and counties with populations below 15,000 and 35,000, respectively that elect to submit said reports to the comptroller on the local debt reporting section of the comptroller's website. [140.008(e)]
- (4) The comptroller receives and posts on the annual local debt reporting section of its website one of the following for each water district as defined by Chapter 49 of the Water Code: an annual report, an affidavit of financial dormancy, or an audit [140.008(h)].

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