

CITY OF SANGER, TEXAS

RESOLUTION NO. 2025-05

A RESOLUTION BY THE CITY OF SANGER TEXAS RELATING TO TEXAS HOUSE BILL 19 PENDING IN THE 89th REGULAR SESSION OF THE TEXAS STATE LEGISLATURE.

WHEREAS, HB 19 would significantly restrict the issuance of certificates of obligation by municipalities and severely limit the ability of fast-growing North Texas municipalities to provide services and infrastructure to its Citizens and those moving into these growing communities; and

WHEREAS, HB 19 would limit local government debt by prescribing that the maximum annual debt service in any fiscal year on debt payable from property taxes may not exceed 20% of an amount equal to the average of the amount of property tax collections for the three preceding fiscal years; and

WHEREAS, HB 19 the bill would amend the definition of “Public work” to no longer include judicial facilities; administrative office buildings; animal shelters; libraries; parks or recreational facilities; and

WHEREAS, with certain restrictions, HB 19 would prohibit an issuer from issuing an anticipation note if a bond proposition for the same purpose has failed during the preceding five years and would only allow the issuance of certificates of obligations for the purposes to (1) comply with a state or federal law or rule for which the municipality or has been notified of noncompliance; or (2) mitigate the impact of a public health emergency; or (3) finance the cleanup, mitigation, or remediation of a declared natural disaster; or (4) comply with a court order; or (5) pay for professional services necessary for a public work; and

WHEREAS, HB 19 would further limit when certificates of obligation could be authorized by requiring that a public work construction contract to be entered within 180 days of the municipality’s authorization of the issuance of the certificates; and

WHEREAS, HB 19 would likewise reduce the maximum maturity of certificates from 40 years to 30 years, and, with certain exceptions, increase the blackout period for issuance of certificates after a failed bond election from three years to five years; and

WHEREAS, HB 19 would decrease the protest petition threshold from 5% of qualified voters to 2% of the registered voters; and

WHEREAS, HB 19 would prohibit an increase in a taxing unit’s maintenance and operations tax revenue derived from an election under the Texas Tax Code to be used or transferred to repay debt in installment payments.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANGER, TEXAS:

That the members of the City Council for the City of Sanger oppose the passage of HB 19 in its present form.

That the proposed restrictions on the issuance of certificates of obligation by Cities would severely limit the ability of fast-growing North Texas municipalities, such as the City of Sanger, to provide services and infrastructure to its Citizens and those moving into the community; and

That the City Council for the City of Sanger would request that HB 19 be amended, to exclude municipalities under a population of 25,000.

PASSED AND APPROVED THIS THE 5th DAY OF MAY, 2025.

APPROVED:

ATTEST:

Thomas E. Muir, Mayor

Kelly Edwards, City Secretary

APPROVED AS TO FORM

Hugh Coleman, City Attorney