

HB 1378: Local Government Debt Transparency

Debt Obligation Reporting under Local Government Code, Section 140.008

Overview

The 84th Legislature passed [HB 1378](#), effective January 1, 2016, to increase the transparency of local government debt. Under [Local Government Code § 140.008](#), school districts must annually compile their debt obligation data from the preceding fiscal year and either:

1. Report it to the Comptroller of Public Accounts for posting,
2. Post the information on their own websites.

For those who chose the first option above, the Comptroller's office has developed the [Annual Local Debt Report](#) (XLS) form and an online submission form to enable entities or their third-party representatives to compile and submit the required information:

For more information on submitting the required information to the Comptroller's office visit: http://texastransparency.org/Local_Government/HB1378/

For those interested in the second option, you should contact a public finance professional for assistance. Much of the required information exists as part of a governmental entities disclosure of annual financial and operating information required under SEC Rules. (17 CFR 240.15c2-12). Your Bond Counsel or Financial advisor has the resources and tools to help you comply.

Reporting Deadlines

School Districts must report the required information via Option 1 or 2 above:

- Within 210 days (7 months) of the end of the political subdivision's fiscal year in 2016;
- Thereafter, within 180 days (6 months) of the end of the most recently completed fiscal year.

Finally, the Comptroller's office is charged with adopting rules for the implementation of Local Government Code § 140.008. These rules are in development and will establish the format, submission and web posting and/or web linking of reporting of political subdivisions' required annual debt information. Visit the website link above to monitor the status of the Comptroller's rulemaking efforts.

Powell & Leon stands ready to help our clients comply with these requirements. We have served as bond counsel to local school districts and political subdivisions for transactions in excess of \$800,000,000. As Bond Counsel, we support school districts in many types of public finance

transactions, including the issuance of general obligation bonds, refunding bonds, maintenance tax notes, time warrants, qualified zone academy bonds, and qualified school construction bonds. For over 10 years, Powell & Leon has been listed in The Bond Buyer's Municipal Marketplace (the "Red Book"), a national listing of top bond counsel firms.

As always, please do not hesitate to contact us if we can be of assistance!



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