

CHAPTER 859

H.B. No. 217

AN ACT

relating to the issuance and registration of bonds.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subdivisions (6) and (7), Section 2, Bond Registration Act (Article 715b, Vernon's Texas Civil Statutes), are amended to read as follows:

(6) "Registrar" means the comptroller of public accounts, ~~an [or a commercial bank or]~~ issuer-registrar meeting the requirements of this Act which is named as registrar in the proceedings authorizing public securities, *a trust company organized under the laws of this state, or a commercial bank.*

(7) "Issuer-Registrar" *means* ~~[shall mean]~~ an incorporated city, operating under a home-rule charter adopted pursuant to Article XI, Section 5, of the Constitution of Texas, *or a county, that has* ~~[and having]~~ a population in excess of 100,000 according to the most recent official census published by the U.S. Bureau of the Census *and that*, ~~[which]~~ is named as registrar in the proceedings authorizing issuance of its public securities. *As this definition applies to each issuance of county debt, this provision is effective only where the county commissioners court, in its discretion, declares the county to be the issuer-registrar.*

SECTION 2. Section 4, Bond Registration Act (Article 715b, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4. (a) If the proceedings authorizing public securities provide that such securities can be fully registrable, the registrar therefor shall be the comptroller, an issuer-registrar, or a banking corporation or association at which the principal of such public securities shall be payable. They may be registered under such reasonable rules and regulations not inconsistent herewith as such proceedings may provide.

(b) *A trust company organized under the laws of this state or a commercial bank that acts as a registrar under this Act shall maintain the registrar records in this state.*

SECTION 3. The Bond Registration Act (Article 715b, Vernon's Texas Civil Statutes) is amended by adding Section 4A to read as follows:

*Sec. 4A. The county treasurer or the county officer who has the powers, duties, and functions of the office of county treasurer of the county shall carry out the registration duties for a county that is an issuer-registrar.*

SECTION 4. Section 1(b), Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), is amended to read as follows:

(b) The term "bonds" as used in this Act means and includes all bonds, certificates, notes, *book-entry obligations*, and other obligations authorized to be issued by any issuer by any statute, city home-rule charter, or the Texas Constitution.

SECTION 5. Section 6(a), Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) When the procedures for changing or converting any bond or bonds are set forth in the resolution, order, ordinance, or other proceedings authorizing the issuance thereof, no additional resolutions, orders, or ordinances need be adopted or passed by the governing body of the issuer so as to accomplish such change or conversion, and the appropriate officials of such issuer, upon the request or demand of the bearer or owner of such bond or bonds as provided therein, if required or necessary, shall have the appropriate new bonds and interest coupons, if any, printed, executed, and exchanged for the bond or bonds being changed or converted, in the manner prescribed in such proceedings. Except as provided in Section 6(b) hereof, in the event that any bond or bonds being changed or converted was or were approved by the attorney general of the State of Texas and registered by the comptroller of public accounts of the State of Texas, then any bond or bonds to be exchanged for any such bond or bonds being changed or converted shall be submitted to the attorney general of the State of Texas for examination, and if he finds that it or they have been printed *or entered on the books of the registrar*, executed, and issued as provided by law and by the resolution, order, ordinance, or other proceedings authorizing the issuance of such bond or bonds being changed or converted, then he shall approve them, and thereupon they shall be registered by the comptroller of public accounts, and after such approval and registration they shall be valid and incontestable for all purposes. However, the comptroller of public accounts shall not register any such new bond or bonds until any bond or bonds being changed or converted shall have been surrendered to and canceled by the comptroller of public accounts, and upon such surrender and cancellation, the comptroller of public accounts shall register and deliver the new bond or bonds in exchange for the bond or bonds being changed or converted.

SECTION 6. Section 5, Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 5. (a) The governing body of any issuer is authorized to issue bonds constituting a series of any number of bonds, or a single bond, payable in one stated amount or in stated installments to the bearer, or to a registered or a named payee, or to the order of, or to the successors or assigns of, such registered or named payee, and provision may be made for the conversion of any bond or interest coupon, upon the request or demand of the bearer or owner, into coupon bonds, payable to the bearer, registrable as to principal or as to principal and interest, or into fully registered bonds without interest coupons, or into any other form, in any denomination, in an aggregate principal amount equal to the unpaid principal amount of the bond or bonds being converted, bearing interest, if any, at the same rate or rates as the bond or bonds being converted, and having such other characteristics, and upon further terms and conditions, and in such manner as may be

specified by the governing body of the issuer in the resolution, order, ordinance, or other proceedings authorizing the bonds.

*(b) The governing body of an issuer may provide for a book-entry record of ownership of bonds and the issuance of bonds in uncertificated book-entry form. The record of ownership for bonds issued in uncertificated book-entry form may be kept by the issuer or by an agent appointed by the issuer as set forth in the documents providing for the issuance of the bonds.*

SECTION 7. This Act takes effect September 1, 1987.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on April 15, 1987, by a non-record vote. Passed by the Senate on May 23, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 19, 1987.

Effective Sept. 1, 1987.