Bond Case Briefs

Municipal Finance Law Since 1971

PUBLIC MEETINGS - TEXAS

In Re City of Amarillo, Texas

Court of Appeals of Texas, Amarillo - August 16, 2023 - Not Reported in S.W. Rptr. - 2023 WL 5279473

In November 2020, more than 60% of the City's voters defeated a proposition for issuance of $275 million in general obligation bonds payable from ad valorem taxes to fund improvement and expansion of the City's civic center complex. Per statute, this meant the City could not issue certificates of obligation to fund the proposed civic center project for three years.

After conferring with legal counsel, two officials and city staff put into place a three-step plan. First, they proposed the city council pass Ordinance 7980 to designate the existing civic center and another building as part of the City's Tax Increment Reinvestment Zone (TIRZ #1) project plan. Second, they met behind-the-scenes with lenders and legal counsel to pre-negotiate a $260.525 million financing deal and language for proposed Ordinance 7985 wherein the City would issue tax anticipation notes. This method of funding requires no voter approval, but also carries a short repayment schedule: seven years. So, to try to avoid risk of an enormous tax increase this project would pose, they planned a third step: future issuance of 30-year refunding bonds to "refinance" the debt authorized under Ordinance 7985.

The city council passed Ordinances approving this plan on May 24, 2022. The agenda item regarding the Ordinances read:

> This item is the discussion and consideration of an ordinance authorizing the issuance of the City of Amarillo, Texas Combination Tax and Revenue Notes, Series 2022A resolving other matters incident and related thereto including the approval of a paying agent/registrar agreement and a purchase contract.

Taxpayer filed a declaratory judgment action under Texas Civil Practice and Remedies Code Chapter 37 (UDJA) seeking to void the Ordinances and the anticipation notes.

Taxpayer alleged several violations of theTexas Open Meetings Act (TOMA) in his petition and counterclaim. He requested declaratory relief under the UDJA, injunctive relief, and a direct violation of TOMA. Because of these alleged violations, taxpayer requested the trial court declare Ordinances 7985 and 7980 to be voidable.

On October 25, 2022, the court signed a final judgment which, among other things, invalidated the two ordinances and the anticipation notes. Both parties appealed.

Generally, TOMA is satisfied when written notice of the date, time, place, and subject of each meeting held by a governmental body has been posted in a place readily-accessible to the general public at least seventy-two hours before the scheduled time of the meeting. The primary disagreement in the appeal centered on whether the City substantially complied with TOMA by

sufficiently describing the “subject” to be discussed in the city council meeting.

The Court of Appeals held that the City’s notice regarding Ordinance 7985 failed to substantially comply with TOMA because it failed to give the reader adequate notice of the action the City sought to take.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com