

By: Harrison

H.B. No. 4024

A BILL TO BE ENTITLED

AN ACT

relating to the notice required before the issuance of certain debt obligations by political subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 1251, Government Code, is amended to read as follows:

(b) A political subdivision with at least 250 registered voters on the date the governing body of the political subdivision adopts the debt obligation election order must prepare a voter information document for each proposition to be voted on at the election. The political subdivision shall post the voter information document in the same manner as a debt obligation election order is required to be posted under Section 4.003(f), Election Code, and may include the voter information document in the debt obligation election order. The voter information document must distinctly state:

(2) the following information formatted as a table in both the aggregate and per student capita:

(A) the principal of the debt obligations to be authorized;

(B) the estimated interest for the debt obligations to be authorized;

(C) the estimated combined principal and interest required to pay on time and in full the debt obligations to

1 be authorized; and

2 (D) as of the date the political subdivision  
3 adopts the debt obligation election order:

4 (i) the principal of all outstanding debt  
5 obligations of the political subdivision;

6 (ii) the estimated remaining interest on  
7 all outstanding debt obligations of the political subdivision,  
8 which may be based on the political subdivision's expectations  
9 relative to the interest due on any variable rate debt obligations;  
10 and

11 (iii) the estimated combined principal and  
12 interest required to pay on time and in full all outstanding debt  
13 obligations of the political subdivision, which may be based on the  
14 political subdivision's expectations relative to the interest due  
15 on any variable rate debt obligations;

16 (3) the estimated maximum annual increase in the  
17 amount of taxes that would be imposed on a residence homestead in  
18 the political subdivision with an appraised value equal to the  
19 average taxable value in the jurisdiction, as determined by the  
20 county appraisal district, of \$100,000 to repay the debt  
21 obligations to be authorized, if approved, based upon assumptions  
22 made by the governing body of the political subdivision; and

23 (c) The governing body of the political subdivision shall  
24 identify in the voter information document the major assumptions  
25 and any underlying data used to develop the tax impact estimate ~~made~~  
26 ~~in connection with the statement~~ required by Subsection (b)(3),  
27 including:

1           (1) the amortization of the political subdivision's  
2 debt obligations, including outstanding debt obligations and the  
3 proposed debt obligations;

4           (2) changes in estimated future appraised values  
5 within the political subdivision; and

6           (3) the assumed interest rate on the proposed debt  
7 obligations.

8           (d) A political subdivision that maintains an Internet  
9 website shall provide the information described by Subsection (b)  
10 on its website's homepage or bond election information page if it  
11 has one, website in an easily accessible manner beginning not later  
12 than the 21st day before election day and ending on the day after  
13 the date of the debt obligation election.

14           SECTION 2. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2023.