BILL ANALYSIS

BACKGROUND AND PURPOSE

Under current law, a proposition submitted to voters to authorize the issuance of school bonds must only include the question of whether the board of trustees may levy, pledge, assess, and collect annual ad valorem taxes. Concerns have been raised that not enough information is provided in these propositions regarding the financial impact that these bonds would have on the taxpayers of the district. CSHB 2000 improves the disclosure of financial impact information in order to provide voters with the information necessary to make an informed decision when voting in a school bond election.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

CSHB 2000 amends the Education Code to require that additional information be included on ballot propositions for the issuance of school district bonds. The bill provides that the proposition must state the principle amount of the bond in question and whether its issuance will result in an ad valorem tax rate increase. The bill also requires the proposition to include, within a 5% margin of error:

- the current total outstanding bonded indebtedness of the district;
- the amount of the increase in annual ad valorem taxes for a residence of the median taxable value in the district; and
- the total estimated cost to pay the principal of and interest on the bonds to maturity.

The bill provides that these requirements apply only to an election on the issuance of school district bonds that is ordered on or after September 1, 2005.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by requiring disclosure of the total estimated cost to pay the principal of and interest on the bonds to maturity, rather than requiring disclosure of the total estimated cost, including interest, to redeem the bonds.