

By: Campbell

S.B. No. 399

A BILL TO BE ENTITLED

AN ACT

relating to ballot propositions authorizing certain political subdivisions to issue debt obligations.

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

SECTION 1. Chapter 1251, Government Code, is amended by designating Sections 1251.001, 1251.002, 1251.003, 1251.004, 1251.005, and 1251.006 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. COUNTIES AND MUNICIPALITIES

SECTION 2. Chapter 1251, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. BOND MATTERS AFFECTING MORE THAN ONE TYPE OF  
POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Debt obligation" means an issued public security, as defined by Section 1201.002, that is secured by ad valorem taxes.

(2) "Political subdivision" means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

Sec. 1251.052. CONTENTS OF BALLOT PROPOSITION. The proposition submitted for an election to authorize a political subdivision to issue debt obligations must distinctly state:

(1) the purpose for which the debt obligations are to be authorized;

1           (2) the principal amount of the debt obligations to be  
2 authorized;

3           (3) that taxes sufficient to pay the annual principal  
4 of and interest on the debt obligations may be imposed;

5           (4) a statement of the estimated tax rate if the debt  
6 obligations are authorized or of the maximum interest rate of the  
7 debt obligations or any series of the debt obligations, based on the  
8 market conditions at the time of the election order;

9           (5) the maximum maturity date of the debt obligations  
10 to be authorized or that the debt obligations may be issued to  
11 mature over a specified number of years not to exceed 40;

12           (6) the aggregate amount of the outstanding principal  
13 of the political subdivision's debt obligations as of the beginning  
14 of the political subdivision's fiscal year in which the election is  
15 ordered;

16           (7) the aggregate amount of the outstanding interest  
17 on debt obligations of the political subdivision as of the  
18 beginning of the political subdivision's fiscal year in which the  
19 election is ordered; and

20           (8) the ad valorem debt service tax rate for the  
21 political subdivision at the time the election is ordered,  
22 expressed as an amount per \$100 valuation of taxable property.

23           Sec. 1251.053. FORM OF BALLOT. The secretary of state may  
24 adopt a form of the ballot for an election held under this  
25 subchapter. A political subdivision is not required to use any  
26 adopted form.

27           SECTION 3. Section 1251.052, Government Code, as added by

1 this Act, applies only to an election ordered on or after the  
2 effective date of this Act. An election ordered before the  
3 effective date of this Act is governed by the law in effect when the  
4 election was ordered, and the former law is continued in effect for  
5 that purpose.

6 SECTION 4. This Act takes effect September 1, 2015.