

BILL ANALYSIS

S.B. 625
By: Kolkhorst
Special Purpose Districts
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note the recent proliferation of special purpose taxing districts throughout Texas. These parties contend that while these entities play an important role in providing necessary services, it can be difficult for the average citizen to obtain important financial and tax data about the special districts that administer so many facets of their daily lives. S.B. 625 seeks to address this issue by creating a special purpose district public information database that contains certain financial and tax information of all active districts.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

S.B. 625 amends the Government Code to require the comptroller of public accounts to create and make accessible on the Internet, not later than September 1, 2018, a database to be known as the special purpose district public information database that contains information regarding all special purpose districts of Texas that are authorized by the state by a general or special law to impose a property tax or a sales and use tax, to impose an assessment, or to charge a fee and during the most recent fiscal year had bonds outstanding, had gross receipts from operations, loans, taxes, or contributions in excess of \$250,000, or had cash and temporary investments in excess of \$250,000. The bill requires the database to include for each applicable district: the name of the district; the name of each board member of the district; contact information for the district's main office; the name of the person employed by the district as a general manager or executive director, or in another position to perform duties or functions comparable to those of a general manager or executive director, if the district employs such an individual; contact information for a person representing a utility operator, if the district contracts with such an utility operator; contact information for a person representing a tax assessor-collector, if the district contracts with a tax assessor-collector; the district's website address, if any; certain financial information the district is required to report; the total amount of bonds authorized by the voters of the district that are payable wholly or partly from property taxes, excluding refunding bonds if refunding bonds were separately authorized and excluding contract revenue bonds; the aggregate initial principal amount of all bonds issued by the district that are payable wholly or partly from property taxes, excluding refunding bonds and contract revenue bonds; the rate of any sales and use tax the district imposes; and for a district that imposes a property tax the property tax rate for the most recent tax year, if the district is a district as defined by specified Water Code provisions, or, if the district is not a district as defined by those provisions, the table

of property tax rates for the most recent tax year required for each taxing unit.

S.B. 625 authorizes the comptroller to consult with the appropriate officer of, or other person representing, each district to obtain the information necessary to operate and update the database. The bill authorizes the comptroller, to the extent information required in the database is otherwise collected or maintained by a state agency or district, to require the agency or district to provide that information and updates to the information as necessary for inclusion in the database. The bill requires the comptroller to update information in the database annually, prohibits the comptroller from charging a fee to the public to access the database, and authorizes the comptroller to establish procedures and adopt rules to implement the database. The bill requires the comptroller to prepare and maintain a noncompliance list of districts that have not timely complied with a requirement to provide information under the bill's provisions.

S.B. 625 amends the Local Government Code to require a district included in the database to transmit records and other information to the comptroller annually for purposes of providing the comptroller with information to operate and update the database. The bill authorizes a district to comply with this requirement by affirming that records and other information previously transmitted are current and requires a district to transmit the records and other information in a form and in the manner prescribed by the comptroller.

S.B. 625 requires the comptroller to provide written notice to a district that does not timely transmit those records informing the district of that violation and notifying the district that the district will be subject to a penalty of \$1,000 if the district does not report the required information on or before the 30th day after the date the notice is provided. The bill requires the district to report the required information not later than the 30th day after the date the comptroller provides notice to so report. The bill makes a district that does not report the information as required liable to the state for a \$1,000 civil penalty and requires the comptroller to provide written notice to such a district informing the district of the liability for the penalty and notifying the district that if the district does not report the required information on or before the 30th day after the date such notice is provided the district will be subject to an additional penalty of \$1,000 and the noncompliance will be reflected in the database's noncompliance list. The bill requires the district to report the required information not later than the 30th day after the date the comptroller provides the additional notice and makes liable to the state for a \$1,000 civil penalty a district that does not report the required information. The bill requires the comptroller to reflect the noncompliance in the database noncompliance list until the special purpose district reports all required information and to provide written notice to the district that the noncompliance will be reflected in the list until the district reports the required information. The bill authorizes the attorney general to sue to collect a civil penalty imposed by the bill for such noncompliance.

S.B. 625 requires the comptroller, not later than January 1, 2018, to send written notice to each district included in the database that describes the changes in law made by the bill and requires each district that receives such notice to submit to the comptroller any required information not later than the 90th day after the date the district receives the notice. The bill establishes that the comptroller is required to implement the bill's provisions only if the legislature appropriates money specifically for that purpose. The bill authorizes but expressly does not require the comptroller to implement the bill's provisions using other appropriations available for that purpose if the legislature does not appropriate money specifically to implement the bill's provisions.

EFFECTIVE DATE

September 1, 2017.