

By: Burton

S.B. No. 245

A BILL TO BE ENTITLED

AN ACT

relating to voter information provided by political subdivisions  
before an election to authorize the issuance of bonds.

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 heading to  
Subchapter A to read as follows:

SUBCHAPTER A. BOND MATTERS AFFECTING 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, secured by property taxes.

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

(3) "Secured self-supporting debt obligation" means a  
debt obligation secured by property taxes but payable from revenue  
from another source.

Sec. 1251.052. PUBLIC HEARING. (a) Before a political  
subdivision may hold an election to authorize the issuance of

bonds, the governing body of the political subdivision must conduct a public hearing at which persons interested in the issuance of the bonds are given the opportunity to be heard.

(b) The governing body must hold the hearing not earlier than the day the governing body adopts the election order or later than the first day before the date the period for early voting by personal appearance begins for the election, as determined under Section 85.001, Election Code.

(c) Not earlier than the 30th day or later than the 15th day before the date of the hearing, the political subdivision must:

(1) provide notice of the hearing and each voter information document described by Section 1251.053 by:

(A) publication in at least one newspaper of general circulation in the county in which the political subdivision is wholly or primarily located;

(B) posting on:

(i) the political subdivision's Internet website; and

(ii) each other Internet website for which the political subdivision controls the content of the posting, including a social media site; and

(C) inclusion in the political subdivision's newsletter, circular, or similar document designed to provide information to the residents of the political subdivision, regardless of how delivered, if the political subdivision periodically delivers such a document; and

(2) send by first-class mail to each owner of taxable

1 property located in the political subdivision the voter information  
2 document described by Section 1251.053 and a cover letter that  
3 includes:

4 (A) the date of the hearing;

5 (B) the purpose of the hearing;

6 (C) the language that will appear on the ballot;

7 and

8 (D) the estimated increase in the property tax  
9 debt levy of the political subdivision for all taxable property  
10 owned by the property owner and located in the political  
11 subdivision.

12 (d) A political subdivision must determine the estimate  
13 required by Subsection (c)(2)(D) in the manner prescribed by  
14 comptroller rule.

15 (e) The Texas Ethics Commission shall provide guidelines  
16 for political subdivisions regarding the manner in which the  
17 hearing is conducted and additional information is provided on the  
18 form prescribed by the secretary of state under Section 1251.053(f)  
19 without violating electioneering and political advertising laws,  
20 including Section 255.003, Election Code, and Section 11.169,  
21 Education Code.

22 Sec. 1251.053. VOTER INFORMATION DOCUMENT. (a) A  
23 political subdivision must prepare a separate voter information  
24 document for each proposition to be discussed at a hearing required  
25 by Section 1251.052.

26 (b) Each voter information document must distinctly state:

27 (1) the language that will appear on the ballot;

1           (2) the purpose for which the bonds are to be  
2 authorized;

3           (3) the maturity date of the bonds to be authorized or  
4 that the bonds may be issued to mature over a specified number of  
5 years not to exceed the maximum number of years authorized by law;

6           (4) that taxes sufficient to pay the annual principal  
7 of and interest on the bonds may be imposed;

8           (5) the maximum rate of interest for the bonds to be  
9 authorized;

10          (6) the following information formatted as a table:

11               (A) the property tax debt rate expressed in  
12 dollars per \$100 valuation of all taxable property in the political  
13 subdivision, stated as:

14                               (i) the existing rate;

15                               (ii) the estimated rate if the bonds are  
16 authorized; and

17                               (iii) the estimated increase in the rate if  
18 the bonds are authorized; and

19               (B) the amount expressed in dollars of the  
20 property tax debt levy of the political subdivision per residence  
21 with a taxable value of \$100,000, stated as:

22                               (i) the existing levy;

23                               (ii) the estimated levy if the bonds are  
24 authorized; and

25                               (iii) the estimated increase in the levy if  
26 the bonds are authorized;

27          (7) the following information formatted as a second

table and stated as a total amount and, if the political subdivision is a municipality, county, or school district, as a per capita amount:

(A) the principal of the bonds to be authorized;

(B) the estimated interest for the bonds to be authorized;

(C) the estimated combined principal and interest required to pay on time and in full the bonds to be authorized; and

(D) as of the date the political subdivision adopts the bond election order:

(i) the principal of all outstanding debt obligations of the political subdivision secured by and payable from property taxes;

(ii) the estimated remaining interest of all outstanding debt obligations of the political subdivision secured by and payable from property taxes; and

(iii) the estimated combined principal and interest required to pay on time and in full all outstanding debt obligations of the political subdivision secured by and payable from property taxes;

(8) the following information as of the date the political subdivision adopts the bond election order, formatted as a third table:

(A) the principal of all outstanding secured self-supporting debt obligations of the political subdivision;

(B) the estimated remaining interest of all

outstanding secured self-supporting debt obligations of the political subdivision; and

(C) the estimated combined principal and interest required to pay on time and in full all outstanding secured self-supporting debt obligations of the political subdivision; and

(9) any other information that the political subdivision considers relevant or necessary to explain the values required by Subdivisions (5)-(8), including:

(A) an amount required by Subdivision (7) stated as a per capita amount if the political subdivision is not required to provide the amount under Subdivision (7);

(B) an explanation of the payment sources for the different types of debt; and

(C) a value for the following expressed as a good faith projection as of the last day of the maximum term of the bonds to be authorized:

(i) a per capita amount required by Subdivision (7);

(ii) an estimated rate required by Subdivision (6)(A)(ii); and

(iii) an estimated levy required by Subdivision (6)(B)(ii).

(c) A political subdivision must determine each estimate or projection required or authorized by Subsection (b) in the manner prescribed by comptroller rule.

(d) Each voter information document must be printed:

(1) on not more than two pages that are not wider than

1 8-1/2 inches and not longer than 14 inches;

2 (2) in type not smaller than 12-point type; and

3 (3) in the form prescribed by the secretary of state.

4 (e) The governing body of the political subdivision must  
5 make a copy of each voter information document available to each  
6 individual attending the hearing.

7 (f) The secretary of state by rule shall prescribe the form  
8 of a voter information document.

9 (g) A good faith estimate or projection required or  
10 authorized by Subsection (b) determined in the manner prescribed by  
11 comptroller rule does not constitute a breach of contract with the  
12 voters solely because the estimate or projection is later  
13 determined to be incorrect.

14 Sec. 1251.054. ONLINE SAMPLE BALLOT. A sample of the ballot  
15 printed for an election to authorize a political subdivision to  
16 issue bonds must be posted on the political subdivision's Internet  
17 website as soon as practicable after the official ballots have been  
18 prepared and must remain posted until the day following the  
19 election.

20 Sec. 1251.055. INTERNET WEBSITE. A political subdivision  
21 shall maintain an Internet website to comply with this subchapter.

22 Sec. 1251.056. COMPTROLLER RULES. The comptroller shall  
23 adopt rules to implement this subchapter, including rules that  
24 prescribe the manner by which a political subdivision must  
25 determine each estimate or projection required or authorized by  
26 this subchapter.

27 SECTION 3. (a) Section 1251.052, Government Code, as added

1 by this Act, applies only to a bond election ordered on or after  
2 January 1, 2018. A bond election ordered before January 1, 2018, is  
3 governed by the law in effect when the bond election was ordered,  
4 and the former law is continued in effect for that purpose.

5 (b) Not later than November 1, 2017, the comptroller of  
6 public accounts shall adopt the rules required by Section 1251.056,  
7 Government Code, as added by this Act.

8 (c) Not later than November 1, 2017, the Texas Ethics  
9 Commission shall make available on the Texas Ethics Commission's  
10 Internet website the guidelines required by Section 1251.052(e),  
11 Government Code, as added by this Act.

12 (d) Not later than November 1, 2017, the secretary of state  
13 shall make available on the secretary of state's Internet website a  
14 form of the voter information document described by Section  
15 1251.053(b), Government Code, as added by this Act.

16 SECTION 4. This Act takes effect September 1, 2017.