

By: Burton

S.B. No. 1821

A BILL TO BE ENTITLED

AN ACT

relating to ballot propositions authorizing certain political subdivisions to issue 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 subchapter heading to read as follows:

SUBCHAPTER A. BOND ELECTION REQUIREMENTS FOR COUNTIES AND MUNICIPALITIES

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

SUBCHAPTER B. BOND ELECTION BALLOTS FOR CERTAIN POLITICAL SUBDIVISIONS

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Capital appreciation bond" means a bond that accrues and compounds interest from its date of delivery, the interest on which by its terms is payable only on maturity or prior redemption.

(2) "Political subdivision" means a county, municipality, or school district.

Sec. 1251.052. CONTENTS OF BALLOT PROPOSITION. (a) The proposition submitted for an election to authorize a political subdivision to issue bonds supported by property taxes must:

1 (1) distinctly state the projected annual increase in
2 property taxes attributable to the bonds to be issued that a
3 homeowner of an average-priced home within the political
4 subdivision may be required to pay; and

5 (2) if the bonds to be issued may be of a type that
6 accrue and defer interest costs, such as capital appreciation
7 bonds:

8 (A) include a conspicuous statement that the
9 interest costs of the bonds continue to accrue but are deferred to a
10 later date; and

11 (B) distinctly state the range of the projected
12 tax impact on property taxes described by Subdivision (1) from the
13 date the bonds are issued until the date the bonds mature.

14 (b) The requirements for a proposition prescribed by this
15 section are in addition to any other requirements prescribed by
16 law. To the extent of a conflict between this section and Section
17 52.072, Election Code, this section controls.

18 (c) A political subdivision must determine a projection
19 required by Subsection (a) in the manner prescribed by comptroller
20 rule.

21 Sec. 1251.053. COMPTROLLER RULES. The comptroller shall
22 adopt rules that prescribe the manner by which a political
23 subdivision must determine a projection required by Section
24 1251.052.

25 SECTION 3. (a) Section 1251.052, Government Code, as added
26 by this Act, applies only to a bond election ordered on or after
27 January 1, 2018. A bond election ordered before January 1, 2018, is

1 governed by the law in effect when the bond election was ordered,
2 and the former law is continued in effect for that purpose.

3 (b) Not later than November 1, 2017, the comptroller of
4 public accounts shall adopt the rules required by Section 1251.053,
5 Government Code, as added by this Act.

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