

By: Shaheen

H.B. No. 430

A BILL TO BE ENTITLED

AN ACT

relating to certain information included with ballot propositions for elections to authorize state and local general obligation bonds.

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

SECTION 1. Subchapter A, Chapter 274, Election Code, is amended by adding Section 274.005 to read as follows:

Sec. 274.005. PROPOSITION STATEMENT REGARDING GENERAL OBLIGATION BONDS OF THIS STATE. (a) In addition to any other wording for a ballot proposition for a proposed constitutional amendment to authorize the issuance of general obligation bonds of this state, the secretary of state shall require that the proposition, both on the ballot and in the proclamation ordering the election at which the amendment will be submitted, be accompanied by a statement that includes the following amounts, with each stated as a total amount and as a per capita amount for the current population of this state at the time the statement is prepared:

(1) the current general obligation debt of this state at the time the statement is prepared;

(2) the maximum amount of additional general obligation debt of this state that would be authorized by the proposed amendment; and

(3) the maximum estimated cost to repay the general

1 obligation debt that would be authorized by the proposed amendment,
 2 including principal and interest, at a stated likely interest rate.

3 (b) For the purposes of the information required by
 4 Subsection (a), on the request of the secretary of state the Bond
 5 Review Board shall:

6 (1) certify the current general obligation debt of
 7 this state;

8 (2) determine a likely interest rate for the proposed
 9 bonds; and

10 (3) compute the estimated maximum repayment cost in
 11 accordance with the likely interest rate determined under
 12 Subdivision (2).

13 (c) The ballot required by this section must be printed in
 14 substantially the following format:

| <u>DEBT ITEMS</u> | <u>TOTAL</u> | <u>PER CAPITA</u> |
|---|-----------------|-------------------|
| <u>CURRENT GENERAL</u> <u>OBLIGATION DEBT</u> | <u>\$ _____</u> | <u>\$ _____</u> |
| <u>PROPOSED ADDITIONAL</u> <u>GENERAL</u> <u>OBLIGATION DEBT</u> | <u>\$ _____</u> | <u>\$ _____</u> |
| <u>COST TO REPAY</u> <u>ADDITIONAL GENERAL</u> <u>OBLIGATION DEBT</u> <u>AT ___% INTEREST</u> <u>OVER ___ YEARS</u> | <u>\$ _____</u> | <u>\$ _____</u> |

30 (d) The statement required by this section must:

31 (1) be considered by the secretary of state before the
 32 secretary certifies the proposed amendment under Section
 33 274.003(a); and

34 (2) be appropriately translated as provided by Section

1 274.003(c) for other ballot language.

2 SECTION 2. Subtitle C, Title 9, Government Code, is amended
3 by adding Chapter 1253 to read as follows:

4 CHAPTER 1253. BALLOT INFORMATION FOR ELECTION TO AUTHORIZE LOCAL
5 GOVERNMENTAL GENERAL OBLIGATION BONDS

6 Sec. 1253.0001. DEFINITION. In this chapter, "local
7 government" means a political subdivision or special-purpose
8 district or authority of this state, including a county,
9 municipality, school district, junior college district, hospital
10 district, or conservation and reclamation district.

11 Sec. 1253.0002. BALLOT INFORMATION FOR ELECTION REGARDING
12 GENERAL OBLIGATION BONDS. (a) This section applies to a ballot
13 printed for an election to authorize a local government to issue
14 general obligation bonds.

15 (b) A ballot must include with the ballot proposition a
16 statement that includes the following amounts, with each stated as
17 a total amount and as a per capita amount for the current population
18 of the local government at the time the statement is prepared:

19 (1) the current general obligation debt of the local
20 government at the time the statement is prepared;

21 (2) the maximum amount of additional general
22 obligation debt of the local government that would be authorized if
23 the proposition is passed; and

24 (3) the maximum estimated cost to repay the general
25 obligation debt that would be authorized by the proposition,
26 including principal and interest, at a stated likely interest rate.

27 (c) The ballot required by this section must be printed in

1 substantially the following format:

| <u>DEBT ITEMS</u> | <u>TOTAL</u> | <u>PER CAPITA</u> |
|---|--------------|-------------------|
| <u>CURRENT GENERAL</u> <u>OBLIGATION DEBT</u> | \$ _____ | \$ _____ |
| <u>PROPOSED ADDITIONAL</u> <u>GENERAL</u> <u>OBLIGATION DEBT</u> | \$ _____ | \$ _____ |
| <u>COST TO REPAY</u> <u>ADDITIONAL GENERAL</u> <u>OBLIGATION DEBT</u> <u>AT _____% INTEREST</u> <u>OVER _____ YEARS</u> | \$ _____ | \$ _____ |

17 Sec. 1253.0003. DETERMINATION OF BALLOT INFORMATION. For
 18 the purposes of the information required by Section 1253.0002(b),
 19 the treasurer of the local government, or another person as
 20 determined by the governing body of the local government, shall:

- 21 (1) certify the current general obligation debt of the
 22 local government;
- 23 (2) determine a likely interest rate for the proposed
 24 bonds; and
- 25 (3) compute the estimated maximum repayment cost in
 26 accordance with the likely interest rate determined under
 27 Subdivision (2).

28 SECTION 3. Section 274.005, Election Code, as added by this
 29 Act, and Chapter 1253, Government Code, as added by this Act, apply
 30 only to a ballot proposition for an election held on or after
 31 November 1, 2020.

32 SECTION 4. This Act takes effect September 1, 2019.