

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 3.009, Election Code, is amended to read as follows:

Sec. 3.009. CONTENTS OF DEBT OBLIGATION ELECTION ORDER. (a) In this section, "debt obligation" means an issued public security, as defined by Section 1201.002, Government Code, that is secured by and payable from ad valorem taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

(b) The document ordering an election to authorize a political subdivision to issue debt obligations must distinctly state:

- (1) the proposition language that will appear on the ballot;
- (2) the purpose for which the debt obligations are to be authorized;
- (3) the principal amount of the debt obligations to be authorized;
- (4) that taxes sufficient to pay the ~~[annual]~~ principal of and interest on the debt obligations may be imposed;
- (5) a statement of the estimated tax rate if the debt obligations are authorized or of the maximum interest rate of the debt obligations or any series of the debt obligations, based on the market conditions at the time of the election order;
- (6) the maximum maturity date of the debt obligations to be authorized or that the debt obligations may be issued to mature over a specified number of years not to exceed the maximum number of years authorized by law [40];
- (7) the aggregate amount of the outstanding principal of the political subdivision's debt obligations as of the date ~~[beginning of the political subdivision's fiscal year in which]~~ the election is ordered;

SENATE VERSION (IE)

SECTION 1. Same as House version.

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(8) the aggregate amount of the outstanding interest on debt obligations of the political subdivision as of the date [beginning of the political subdivision's fiscal year in which] the election is ordered, which may be based on the political subdivision's expectations relative to variable rate debt obligations; and

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

SECTION 2. Section 52.072, Election Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) In addition to any other requirement imposed by law for a proposition, including a provision prescribing the proposition language, a proposition submitted to the voters for approval of ~~[the issuance of bonds or]~~ the imposition, increase, or reduction of a tax shall specifically state, as applicable:

(1) ~~[with respect to a proposition seeking voter approval of the issuance of bonds:~~

~~[(A) the total principal amount of the bonds to be authorized, if approved; and~~

~~[(B) a general description of the purposes for which the bonds are to be authorized, if approved;~~

~~[(2)]~~ with respect to a proposition that only seeks voter approval of the imposition or increase of a tax, the amount of or maximum tax rate of the tax or tax increase for which approval is sought; or

SENATE VERSION (IE)

SECTION 2. Same as House version.

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) [(3)] with respect to a proposition that only seeks voter approval of the reduction of a tax, the amount of tax rate reduction or the tax rate for which approval is sought.

(f) A political subdivision that submits to the voters a proposition for the approval of the issuance of debt obligations shall prescribe the wording of the proposition that is to appear on the ballot in accordance with the requirements of Subchapter B, Chapter 1251, Government Code. In this subsection, "debt obligation" and "political subdivision" have the meanings assigned by Section 1251.051, Government Code.

SECTION 3. Chapter 1251, Government Code, is amended by designating Sections 1251.001, 1251.003, 1251.004, 1251.005, and 1251.006 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. PROVISIONS RELATING GENERALLY TO COUNTY AND MUNICIPAL BOND ELECTIONS

SECTION 4. Chapter 1251, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. BALLOT FOR DEBT OBLIGATIONS ISSUED BY POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Debt obligation" means a public security, as defined by Section 1201.002, secured by and payable from ad valorem taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

SENATE VERSION (IE)

SECTION 3. Same as House version.

SECTION 4. Chapter 1251, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. BALLOT FOR DEBT OBLIGATIONS ISSUED BY POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. In this subchapter:

(1) "Debt obligation" means a public security, as defined by Section 1201.002, secured by and payable from ad valorem taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) "Debt obligation election order" means the order, ordinance, or resolution ordering an election to authorize the issuance of debt obligations.

(3) "Political subdivision" means a municipality, county, school district, or special taxing district.

Sec. 1251.052. FORM. (a) The ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision shall specifically state:

(1) a general description of the purposes for which the debt obligations are to be authorized;

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

(3) that taxes sufficient to pay the principal of and interest on the debt obligations will be imposed.

(b) A political subdivision with at least 250 registered voters on the date the governing body of the political subdivision adopts the debt obligation election order must prepare a voter information document for each proposition to be voted on at the election. The political subdivision shall post the voter information document in the same manner as a debt obligation election order is required to be posted under Section 4.003(f), Election Code, and may include the voter information document in the debt obligation election order. The voter information document must distinctly state:

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

(2) the following information formatted as a table:

(A) the principal of the debt obligations to be authorized;

(B) the estimated interest for the debt obligations to be authorized;

SENATE VERSION (IE)

(2) "Debt obligation election order" means the order, ordinance, or resolution ordering an election to authorize the issuance of debt obligations.

(3) "Political subdivision" means a municipality, county, school district, or special taxing district.

Sec. 1251.052. FORM. (a) The ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision shall specifically state:

(1) a general description of the purposes for which the debt obligations are to be authorized;

(2) the total principal amount of the debt obligations to be authorized; and [FA1(1)]

(3) that taxes sufficient to pay the principal of and interest on the debt obligations will be imposed. [FA1(2)]

(4) [Deleted by FA1(3)]

(b) A political subdivision with at least 250 registered voters on the date the governing body of the political subdivision adopts the debt obligation election order must prepare a voter information document for each proposition to be voted on at the election. The political subdivision shall post the voter information document in the same manner as a debt obligation election order is required to be posted under Section 4.003(f), Election Code, and may include the voter information document in the debt obligation election order. The voter information document must distinctly state:

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

(2) the following information formatted as a table:

(A) the principal of the debt obligations to be authorized;

(B) the estimated interest for the debt obligations to be authorized; [FA1(4)]

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

(i) the principal of all outstanding debt obligations of the political subdivision;

(ii) the estimated remaining interest on all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations; and

(iii) the estimated combined principal and interest required to pay on time and in full all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations;

(3) the estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the political subdivision with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved, based upon assumptions made by the governing body of the political subdivision; and

(4) any other information that the political subdivision considers relevant or necessary to explain the information required by this subsection.

(c) The governing body of the political subdivision shall identify in the voter information document the major assumptions made in connection with the statement required by Subsection (b)(3), including:

(1) the amortization of the political subdivision's debt obligations, including outstanding debt obligations and the proposed debt obligations;

SENATE VERSION (IE)

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

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

(i) the principal of all outstanding debt obligations of the political subdivision;

(ii) the estimated remaining interest on all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations; and

(iii) the estimated combined principal and interest required to pay on time and in full all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations;

(3) the estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the political subdivision with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved, based upon assumptions made by the governing body of the political subdivision; and

(4) any other information that the political subdivision considers relevant or necessary to explain the information required by this subsection.

(c) The governing body of the political subdivision shall identify in the voter information document the major assumptions made in connection with the statement required by Subsection (b)(3), including:

(1) the amortization of the political subdivision's debt obligations, including outstanding debt obligations and the proposed debt obligations;

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) changes in estimated future appraised values within the political subdivision; and

(3) the assumed interest rate on the proposed debt obligations.

(d) A political subdivision that maintains an Internet website shall provide the information described by Subsection (b) on its website in an easily accessible manner beginning not later than the 21st day before election day and ending on the day after the date of the debt obligation election.

(e) This section provides the ballot proposition language for an election to authorize the issuance of debt obligations by a political subdivision. To the extent of a conflict between this section and another law, this section controls.

SECTION 5. Section 271.049, Local Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (e) to read as follows:

(a) Regardless of the sources of payment of certificates, certificates may not be issued unless the issuer publishes notice of its intention to issue the certificates. The notice must be published;

(1) once a week for two consecutive weeks in a newspaper, as defined by Subchapter C, Chapter 2051, Government Code, that is of general circulation in the area of the issuer, with the date of the first publication to be before the 45th [30th] day before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates; and

(2) if the issuer maintains an Internet website, continuously on the issuer's website for at least 45 days before the date

SENATE VERSION (IE)

(2) changes in estimated future appraised values within the political subdivision; and

(3) the assumed interest rate on the proposed debt obligations.

(d) A political subdivision that maintains an Internet website shall provide the information described by Subsection (b) on its website in an easily accessible manner beginning not later than the 21st day before election day and ending on the day after the date of the debt obligation election.

(e) This section provides the ballot proposition language for an election to authorize the issuance of debt obligations by a political subdivision. To the extent of a conflict between this section and another law, this section controls.

SECTION 5. Same as House version.

CONFERENCE

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

(b) The notice must state:

(1) the time and place tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates;

(2) the ~~maximum amount and~~ purpose of the certificates to be authorized; ~~and~~

(3) the manner in which the certificates will be paid for, whether by taxes, revenues, or a combination of the two;

(4) the following:

(A) the then-current principal of all outstanding debt obligations of the issuer;

(B) the then-current combined principal and interest required to pay all outstanding debt obligations of the issuer on time and in full, which may be based on the issuer's expectations relative to the interest due on any variable rate debt obligations;

(C) the maximum principal amount of the certificates to be authorized; and

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

(5) the estimated interest rate for the certificates to be authorized or that the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and

(6) the maximum maturity date of the certificates to be authorized.

(e) In this section, "debt obligation" means a public security, as defined by Section 1201.002, Government Code, secured by and payable from ad valorem taxes. The term does not

House Bill 477
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

include public securities that are designated as self-supporting by the political subdivision issuing the securities.

SECTION 6. Section 1251.002, Government Code, is repealed.

SECTION 7. (a) The changes in law made by this Act to Chapter 1251, Government Code, apply only to a ballot for an election ordered on or after the effective date of this Act. An election ordered before the effective date of this Act is governed by the law in effect when the election was ordered, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act to Section 271.049, Local Government Code, apply only to a certificate of obligation for which the first notice of intention to issue the certificate is made on or after the effective date of this Act. A certificate of obligation for which the first notice of intention to issue the certificate is made before the effective date of this Act is governed by the law in effect when the notice of intention is made, and the former law is continued in effect for that purpose.

SECTION 8. This Act takes effect September 1, 2019.

SENATE VERSION (IE)

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

CONFERENCE