By:  Harrison H.B. No. 4024

A BILL TO BE ENTITLED

AN ACT

relating to the notice required before the issuance of certain debt obligations by political subdivisions.

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

SECTION 1.  Subchapter B, Chapter 1251, Government Code, is amended to read as follows:

(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:

(2)  the following information formatted as a table in both the aggregate and per student capita:

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

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

(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 equal to the average taxable value in the jurisdiction, as determined by the county appraisal district, ~~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

(c)  The governing body of the political subdivision shall identify in the voter information document the major assumptions and any underlying data used to develop the tax impact estimate ~~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;

(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's homepage or bond election information page if it has one, ~~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.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.