

By: Alders

H.B. No. 300

A BILL TO BE ENTITLED

AN ACT

relating to the text of and information that must be included on the ballot for debt obligation elections and on a voter information document.

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

SECTION 1. Subchapter B, Chapter 1251, Government Code, as added by Chapters 505 (S.B. 30) and 728 (H.B. 477), Acts of the 86th Legislature, Regular Session, 2019, is reenacted and amended 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.

(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 plain language description of the single specific purpose for which the debt obligations are to be authorized;

(2) the estimated combined principal amount and interest required to pay on time and in full to maturity [~~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; and

(4) the estimated maximum annual amount of taxes that would be imposed on each \$100,000 in taxable value of a residence homestead in the political subdivision at the ad valorem tax rate necessary to pay on time and in full the principal of and interest on the proposed debt obligations.

(a-1) Each single specific purpose for which debt obligations requiring voter approval are to be issued must be printed on the ballot as a separate proposition. A proposition may include as a specific purpose one or more structures or improvements serving the substantially same purpose and may include related improvements and equipment necessary to accomplish the specific purpose.

(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),

1 Election Code, and may include the voter information document in
2 the debt obligation election order. The voter information document
3 must distinctly state:

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

5 (2) the following information formatted as a table:

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

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

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

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

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

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

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

26 (3) the estimated maximum annual [~~increase in the~~]
27 amount of taxes that would be imposed on each \$100,000 in taxable

1 value of a residence homestead in the political subdivision [~~with~~
2 ~~an appraised value of \$100,000~~] to repay the debt obligations to
3 be authorized, if approved, based upon assumptions made by the
4 governing body of the political subdivision; and

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

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

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

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

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

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

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

1 SECTION 2. The changes in law made by this Act apply only to
2 an election ordered on or after the effective date of this Act.

3 SECTION 3. This Act takes effect on the 91st day after the
4 last day of the legislative session.