

## **BILL ANALYSIS**

C.S.H.B. 565  
By: Tepper  
Delivery of Government Efficiency  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee that proposed amendments to the Texas Constitution sometimes have long-term budgetary impacts, such as creating new programs with constitutionally dedicated state funding, altering tax policies, or increasing government spending. The bill author has also informed the committee that while a voter may obtain a fiscal note of a proposed constitutional amendment and its enabling legislation online, that information is usually not available at a polling place when the voter is casting their ballot. C.S.H.B. 565 seeks to inform voters of the cost of a proposed constitutional amendment by requiring the secretary of state to prepare for placement on the ballot an estimate of the anticipated cost to the state of a proposed constitutional amendment.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the secretary of state in SECTION 5 of this bill.

### **ANALYSIS**

C.S.H.B. 565 amends the Government Code to require the Legislative Budget Board (LBB), as soon as practicable after the time for gubernatorial action has expired under state law, to do the following for each joint resolution to amend the constitution enacted by the legislature:

- determine the estimated cost to the state;
- determine whether the joint resolution will impose on the state a recurring cost or a one-time cost; and
- notify the secretary of state of those determinations.

C.S.H.B. 565 authorizes the LBB, in making the required determinations, to rely on the following:

- the five-year projected cost estimate calculated by the LBB in preparing a fiscal note for the joint resolution, the enabling legislation, or both, as applicable; and
- an appropriation made for the purpose of the joint resolution in the General Appropriations Act or other legislative appropriation to the extent enacted, only if those appropriations or estimated costs are not reflected in the five-year estimated cost projection calculated for a fiscal note.

C.S.H.B. 565 amends the Election Code to require the secretary of state, for an election to amend the state constitution, to do the following for each ballot proposition submitting a proposed constitutional amendment:

- prepare for placement on the ballot one of the following statements, as applicable:
    - if the LBB determines the constitutional amendment to have a recurring cost under the bill's provisions, a statement of the estimated annual cost using language prescribed by the bill; or
    - if the LBB determines the constitutional amendment to have a one-time cost under the bill's provisions, a statement of the estimated one-time cost using language prescribed by the bill; and
  - certify the statement for the prepared cost estimate in writing for placement on the ballot.
- The bill authorizes the secretary of state to adopt rules as necessary to implement and administer the placement of cost estimate statements on the ballot.

C.S.H.B. 565 applies only to a ballot for an election on a proposed constitutional amendment ordered on or after the bill's effective date. An election on a proposed constitutional amendment ordered before that date is governed by the law in effect when the election was ordered, and the former law is continued in effect for that purpose.

### **EFFECTIVE DATE**

September 1, 2025.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 565 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute replaces the requirement for the secretary of state, for an election to amend the state constitution, to prepare for placement on the ballot for each ballot proposition submitting a proposed constitutional amendment an estimate of the anticipated cost to the state of the proposed amendment during the state fiscal biennium in which the proposed amendment takes effect should the proposition be approved at the election, as in the introduced, with a requirement for the secretary of state, for such an election, to prepare for placement on the ballot for each ballot proposition submitting a proposed constitutional amendment a statement, as applicable, regarding the annual or one-time estimated cost of implementing the proposed amendment as determined by the LBB under the bill's provisions using language prescribed by the bill.

The substitute includes the following provisions which did not appear in the introduced:

- a requirement for the LBB, as soon as practicable after the time for gubernatorial action has expired under state law, to do the following for each joint resolution to amend the constitution enacted by the legislature:
  - determine the estimated cost to the state;
  - determine whether the joint resolution will impose on the state a recurring cost or a one-time cost; and
  - notify the secretary of state of those determinations; and
- an authorization for the LBB, in making the required determinations, to rely on the following:
  - the projected cost estimate calculated by the LBB in preparing a fiscal note for the joint resolution, the enabling legislation, or both the joint resolution and the enabling legislation, as applicable; and
  - an appropriation made for the purpose of the joint resolution in the General Appropriations Act or other legislative appropriation to the extent enacted, only if those appropriations or estimated costs are not reflected in the estimated cost projection calculated for a fiscal note.