

BILL ANALYSIS

S.B. 414
By: Middleton
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision must state the total principal amount of the debt obligations to be authorized, that taxes sufficient to pay the principal of and interest on the debt obligations will be imposed, and the purpose for which the debt obligations are to be authorized. The bill sponsor has informed the committee that many data points are not included in the ballot form requirements and that this lack of transparency prevents taxpayers from calculating the total costs they would incur if they were to pay off the obligation in its entirety and leaves voters without the full picture of how their money would be used. S.B. 414 seeks to address this issue by including among the required information a ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision must specifically state the estimated interest for the debt obligations to be authorized and the estimated combined principal and interest required to pay on time and in full to maturity the debt obligations to be authorized.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 414 reenacts Subchapter B, Chapter 1251, Government Code, as added by Chapters 728 (H.B. 477) and 505 (S.B. 30), Acts of the 86th Legislature, Regular Session, 2019, to conform to changes made by those acts setting out provisions relating to the ballot for debt obligations issued by political subdivisions and amends those acts by requiring the ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision to specifically state, in addition to the other specific statements required by those acts, a general description of the single specific purpose for which the debt obligations are to be authorized. The bill further amends the Government Code by including among such required statements the estimated interest for the debt obligations to be authorized and the estimated combined principal and interest required to pay on time and in full to maturity the debt obligations to be authorized.

S.B. 414 applies only to an election ordered on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.