

By: Lowe

H.B. No. 3262

A BILL TO BE ENTITLED

AN ACT

relating to an election to approve the issuance of bonds or other debt.

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

SECTION 1. The heading to Chapter 2, Election Code, is amended to read as follows:

CHAPTER 2. VOTE REQUIRED FOR ELECTION [~~TO OFFICE~~]

SECTION 2. Chapter 2, Election Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. SUPERMAJORITY REQUIREMENT FOR CERTAIN ELECTIONS

Sec. 2.101. CERTAIN POLITICAL SUBDIVISION ELECTIONS.

Notwithstanding any other law, an election held by a political subdivision to authorize the issuance of bonds or other debt does not authorize the issuance of bonds or other debt unless at least two-thirds of the voters voting on the proposition authorizing the issuance of bonds or other debt vote in favor of the proposition.

SECTION 3. 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, 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

1 defined by Section 1201.002, secured by and payable from ad valorem
2 taxes. The term does not include public securities that are
3 designated as self-supporting by the political subdivision issuing
4 the securities.

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

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

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

13 (1) a general description of the single specific
14 purpose [~~purposes~~] for which the debt obligations are to be
15 authorized;

16 (2) the total principal amount of the debt obligations
17 to be authorized; [~~and~~]

18 (3) as of the date the political subdivision adopts
19 the debt obligation election order, the estimated combined
20 principal and interest required to pay on time and in full all
21 outstanding debt obligations of the political subdivision, which
22 may be based on the political subdivision's expectations relative
23 to the interest due on any variable rate debt obligations; and

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

26 (a-1) Each single specific purpose for which debt
27 obligations requiring voter approval are to be issued must be

1 printed on the ballot as a separate proposition. A proposition may
2 include as a specific purpose one or more structures or
3 improvements serving the substantially same purpose and may include
4 related improvements and equipment necessary to accomplish the
5 specific purpose.

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

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

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

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

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

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

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

27 (i) the principal of all outstanding debt

1 obligations of the political subdivision;

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

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

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

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

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

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

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

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

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

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

14 SECTION 4. The changes in law made by this Act apply only to
15 an election ordered on or after the effective date of this Act. An
16 election ordered before the effective date of this Act is governed
17 by the law in effect when the election was ordered.

18 SECTION 5. This Act takes effect September 1, 2025.