

By: Middleton, et al.
(Bonnen)

S.B. No. 414

A BILL TO BE ENTITLED

AN ACT

relating to the text of ballot propositions for bond elections.

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

SECTION 1. 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 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 general description of the single specific

1 purpose for which the debt obligations are to be authorized;

2 (2) the total principal amount of the debt obligations
3 to be authorized; ~~and~~

4 (3) the estimated interest for the debt obligations to
5 be authorized;

6 (4) the estimated combined principal and interest
7 required to pay on time and in full to maturity the debt obligations
8 to be authorized; and

9 (5) that taxes sufficient to pay the principal of and
10 interest on the debt obligations will be imposed.

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

18 (b) A political subdivision with at least 250 registered
19 voters on the date the governing body of the political subdivision
20 adopts the debt obligation election order must prepare a voter
21 information document for each proposition to be voted on at the
22 election. The political subdivision shall post the voter
23 information document in the same manner as a debt obligation
24 election order is required to be posted under Section 4.003(f),
25 Election Code, and may include the voter information document in
26 the debt obligation election order. The voter information document
27 must distinctly state:

- 1 (1) the language that will appear on the ballot;
- 2 (2) the following information formatted as a table:
- 3 (A) the principal of the debt obligations to be
- 4 authorized;
- 5 (B) the estimated interest for the debt
- 6 obligations to be authorized;
- 7 (C) the estimated combined principal and
- 8 interest required to pay on time and in full the debt obligations to
- 9 be authorized; and
- 10 (D) as of the date the political subdivision
- 11 adopts the debt obligation election order:
- 12 (i) the principal of all outstanding debt
- 13 obligations of the political subdivision;
- 14 (ii) the estimated remaining interest on
- 15 all outstanding debt obligations of the political subdivision,
- 16 which may be based on the political subdivision's expectations
- 17 relative to the interest due on any variable rate debt obligations;
- 18 and
- 19 (iii) the estimated combined principal and
- 20 interest required to pay on time and in full all outstanding debt
- 21 obligations of the political subdivision, which may be based on the
- 22 political subdivision's expectations relative to the interest due
- 23 on any variable rate debt obligations;
- 24 (3) the estimated maximum annual increase in the
- 25 amount of taxes that would be imposed on a residence homestead in
- 26 the political subdivision with an appraised value of \$100,000 to
- 27 repay the debt obligations to be authorized, if approved, based

1 upon assumptions made by the governing body of the political
2 subdivision; and

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

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

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

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

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

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

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

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

1 SECTION 3. This Act takes effect September 1, 2025.