By: Hall

S.B. No. 1389

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the text of ballot propositions for bond elections.

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

4 SECTION 1. Subchapter B, Chapter 1251, Government Code, as

5 added by Chapters 728 (H.B. 477) and 505 (S.B. 30), Acts of the 86th

6 Legislature, Regular Session, 2019, is reenacted and amended to

7 read as follows:

8 SUBCHAPTER B. BALLOT FOR DEBT OBLIGATIONS ISSUED BY POLITICAL

9 SUBDIVISION

10 Sec. 1251.051. DEFINITIONS. In this subchapter:

11 (1) "Debt obligation" means a public security, as

12 defined by Section 1201.002, secured by and payable from ad valorem

13 taxes. The term does not include public securities that are

14 designated as self-supporting by the political subdivision issuing

15 the securities.

16 (2) "Debt obligation election order" means the order,

17 ordinance, or resolution ordering an election to authorize the

18 issuance of debt obligations.

19 (3) "Political subdivision" means a municipality,

20 county, school district, or special taxing district.

21 Sec. 1251.052. FORM. (a) The ballot for a measure seeking

22 voter approval of the issuance of debt obligations by a political

23 subdivision shall specifically [state]:

24 (1) state a general description of the single specific

1 project [purposes] for which the debt obligations are to be
2 authorized;

3   (2) list and clearly describe each structure or
4 improvement included in the specific project for which the debt
5 obligations are to be authorized;

6   (3) state the total estimated cost of each structure
7 or improvement described by Subdivision (2);

8   (4) state the total principal amount of the debt
9 obligations to be authorized;

10   (5) include the statement "THIS IS A TAX INCREASE";
11 and

12   (6) state [(3)] that taxes sufficient to pay the
13 principal of and interest on the debt obligations will be imposed.

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

21   (b) A political subdivision with at least 250 registered
22 voters on the date the governing body of the political subdivision
23 adopts the debt obligation election order must prepare a voter
24 information document for each proposition to be voted on at the
25 election.   The political subdivision shall post the voter
26 information document in the same manner as a debt obligation
27 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
11 interest required to pay on time and in full the debt obligations to
12 be 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
18 all outstanding debt obligations of the political subdivision,
19 which may be based on the political subdivision's expectations
20 relative to the interest due on any variable rate debt obligations;
21 and

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

27 　　　　　　　　　(3)　the　estimated　maximum　annual　increase　in　the

1 amount of taxes that would be imposed on a residence homestead in

2 the political subdivision with an appraised value of $100,000 to

3 repay the debt obligations to be authorized, if approved, based

4 upon assumptions made by the governing body of the political

5 subdivision; and

6   (4) any other information that the political

7 subdivision considers relevant or necessary to explain the

8 information required by this subsection.

9   (c) The governing body of the political subdivision shall

10 identify in the voter information document the major assumptions

11 made in connection with the statement required by Subsection

12 (b)(3), including:

13   (1) the amortization of the political subdivision's

14 debt obligations, including outstanding debt obligations and the

15 proposed debt obligations;

16   (2) changes in estimated future appraised values

17 within the political subdivision; and

18   (3) the assumed interest rate on the proposed debt

19 obligations.

20   (d) A political subdivision that maintains an Internet

21 website shall provide the information described by Subsection (b)

22 on its website in an easily accessible manner beginning not later

23 than the 21st day before election day and ending on the day after

24 the date of the debt obligation election.

25   (e) This section provides the ballot proposition language

26 for an election to authorize the issuance of debt obligations by a

27 political subdivision. To the extent of a conflict between this

1 section and another law, this section controls.

2   SECTION 2. The changes in law made by this Act apply only to

3 an election ordered on or after the effective date of this Act.

4   SECTION 3. This Act takes effect immediately if it receives

5 a vote of two-thirds of all the members elected to each house, as

6 provided by Section 39, Article III, Texas Constitution. If this

7 Act does not receive the vote necessary for immediate effect, this

8 Act takes effect September 1, 2025.