

- SUBJECT:** Information included in a school district bond election ballot proposition
- COMMITTEE:** Elections — committee substitute recommended
- VOTE:** 5 ayes — Denny, Bohac, Anchia, Anderson, Hughes  
0 nays  
2 absent — J. Jones, T. Smith
- WITNESSES:** For — (*Registered, but did not testify:* Jamie Baccus; Robert Howard, Libertarian Party of Texas)  
Against — None  
On — (*Registered, but did not testify:* Elizabeth Hanshaw Winn, Secretary of State)
- BACKGROUND:** Education Code, sec. 45, authorizes the issuance of bonds for the support of public schools. Governing boards of independent school districts may issue bonds for the construction, purchase and acquisition of property, equipment, and school buses for school districts. In an election to authorize issuance of bonds, current law requires the district governing board to include in the ballot proposition that the governing entities have the authority to levy, pledge, assess, and collect annual ad valorem taxes on all taxable property in the district.
- DIGEST:** CSHB 2000 would require that propositions submitted to authorize the issuance of bonds state the principal amount of the bonds to be issued and whether the issuance would result in an increase in ad valorem taxes paid by taxpayers in the school district.  
  
The information would have to include, within a 5 percent margin of error, the total outstanding bonded indebtedness of the school district, the ad valorem taxes that would be imposed annually on a residence in the median taxable value within the school district, and the total estimated cost to pay the principal and interest on the bonds.  
  
The bill would take effect September 1, 2005, and would apply to an

election held on or after that date.

**SUPPORTERS  
SAY:**

CSHB 2000 is a truth-in-taxation bill that would give voters valuable information about the school district bond packages they are voting on. The only information now required on the ballot proposition is that governing bodies have the authority to levy, assess, and collect annual ad valorem taxes at a rate not more than \$1.50 per \$100 of valuation of taxable property in the district. All other ballot information about the proposed bond package is decided on by the school districts.

Voters constantly are asked to go to the polls and vote on bonds for certain projects without enough information provided in the proposition to inform them about the financial impact of the bonds on taxpayers. Voters deserve more disclosure on the financial picture of their school district. Under the provisions of the bill, the information would be broken down in such a way that the average voter could understand what the total indebtedness would be, and most important, how their property taxes would be affected. Because voter turnout for these elections typically is low, it is even more important that voters be informed.

**OPPONENTS  
SAY:**

CSHB 2000 would make it more difficult for school districts to pass needed bond proposals. School districts go to the voters with bond proposals only when it is absolutely necessary to build facilities or renovate existing ones, or to meet other important needs. An important component of a successful bond election is educating voters on the needs of the school district. Bond propositions are difficult to pass because any proposal to raise taxes, even for educating the state's children, is never popular or easy. The additional information required by the provisions of the bill would complicate and lengthen the ballot and make it difficult to pass bond proposals, no matter how vital the need, and would limit a school district's ability to meet its needs.

School districts in certain areas of the state do not hold bond elections because the taxpayers simply cannot afford the extra tax burden. This bill could increase the number of school districts that would find it impossible to pass bond proposals.

NOTES: A related bill, HB 1023 by Denny, which would limit ballot propositions to no more than 75 words, also is on today's General State Calendar.