

SUBJECT: Notice of anticipated fiscal impact of municipal charter amendments

COMMITTEE: Elections — committee substitute recommended

VOTE: 5 ayes — Denny, Bohac, Anchia, Anderson, Hughes
0 nays
2 absent — J. Jones, T. Smith

WITNESSES: For — Jay Dyer, Texas Association of Builders; (*Registered, but did not testify*: Robert Howard, Libertarian Party of Texas)
Against — None
On — (*Registered, but did not testify*: Elizabeth Hanshaw Winn, Secretary of State)

BACKGROUND: Local Government Code, sec. 9.004 allows the governing body of a home-rule municipality, on its own motion, to submit a proposed charter amendment to the municipality's qualified voters for their approval at an election. If a petition is signed by at least 5 percent of the total number of qualified voters, or 20,000, whichever is smaller, the governing body must call an election for the approval of a proposed amendment.

The notice of the election has to be published in the general newspaper of the municipality and must include a substantial copy of the proposed amendment. It must be published on the same day in two successive weeks, with the first publication having to occur the 14th day before the election. Amendments cannot contain more than one subject, and each amendment can be approved or disapproved separately.

DIGEST: CSHB 2751 would require that the notice of an election for proposed charter amendments that is published in the general newspaper of the municipality include an estimate of the anticipated fiscal impact to the municipality if the proposed amendment were approved at the election.

The change made by the bill would apply only to an election for a charter amendment ordered on or after the September 1, 2005, effective date of the bill.

**SUPPORTERS
SAY:**

CSHB 2751 is a truth-in-spending bill that would provide more information to voters in municipalities voting on proposed charter amendments. Legislators would not consider enacting legislation without first knowing the fiscal impact it would have on the state. Voters deciding how to vote on proposed amendments should have access to the same information.

Proposed amendments often come from citizen initiatives, but citizens are not always aware of the fiscal impact of a proposed change on the city. Many people who sign petitions claim the petitions do not adequately explain the fiscal implications of a proposed change. Some even admit to signing petitions without really understanding what they propose. However, it is vital that voters fully understand a proposal when it is time to vote on it.

Most municipalities do prepare fiscal impact statements for proposed charter amendments and present the information to the voters, but it is not required. CSHB 2751 would ensure that ballot propositions for proposed city charter amendments were researched fully before being presented to the voters. This would result in a more informed electorate and better decision-making.

Any concern that the bill could have a chilling effect on an amendment's final passage is unfounded. If the voters are not willing to spend money even on worthwhile projects, it is their right to vote an amendment down. The bill would not affect citizens' ability to bring forth initiatives to be voted on – they still very clearly would have the right. However, the city also should have to disclose what proposals would cost the taxpayers. If someone in the community had a dispute about the fiscal impact of a certain amendment, it could be debated before the election.

**OPPONENTS
SAY:**

The bill could have a chilling effect on the ability to enact some proposed charter amendments. If a city was not particularly fond of a voter initiative, it could present the cost estimate in a way that made it unattractive to the voters by inflating the estimate or presenting only the high end of any projection.

NOTES:

The substitute added that the bill would apply only to elections ordered on or after September 1, 2005, and made technical changes.