

SUBJECT: Creating the Special Purpose District Public Information Database

COMMITTEE: Special Purpose Districts — favorable, without amendment

VOTE: 7 ayes — Murphy, Perez, Bell, Cortez, Cospers, Lang, Schubert

0 nays

SENATE VOTE: On final passage, May 1 — 31-0

WITNESSES: For — Trey Lary, Allen Boone Humphries Robinson LLP; Bryan Mathew, Texas Public Policy Foundation; (*Registered, but did not testify*: Howard Cohen, Schwartz, Page and Harding, LLP; Donnis Baggett, Texas Press Association)

Against — None

BACKGROUND: Some have raised concerns about the difficulty of obtaining important financial and tax data about special purpose taxing districts. Some find that this information can be useful to voters in making informed decisions about how the districts should operate and who should govern them.

DIGEST: SB 625 would require the comptroller to create, make accessible on the internet, and update annually a Special Purpose District Public Information Database that contained information on all special purpose districts that:

- were authorized by law to impose a property tax, a sales and use tax, or an assessment, or to charge a fee; and
- met certain investment thresholds during the most recent fiscal year, as defined by the bill.

For each district, the database would have to include certain contact, employee, and board information, and information related to debt, revenue, bonds, and tax rates, as outlined in the bill. The database would be posted on the Internet by September 1, 2018, and the comptroller could

not charge a fee for public access.

A special purpose district would be required to transmit records and other information annually to the comptroller for the purposes of the database. If a district did not comply in a timely manner, the comptroller would notify the district that it had 30 days to report the information or it would be subject to a penalty of \$1,000. A district would be liable for a \$1,000 civil penalty for each subsequent 30 days that it did not comply. The district also would be included in a list of noncompliance maintained by the comptroller. The attorney general could sue to collect a civil penalty.

The comptroller would send a written notice to each applicable special purpose district by January 1, 2018, describing the changes in law. Each district would have 90 days to submit the required information.

For purposes of the bill, a special purpose district would not mean a municipality, county, junior college district, independent school district, or political subdivision with statewide jurisdiction.

The bill would take effect September 1, 2017, only if the Legislature appropriated money specifically for its purpose. If money was not appropriated, the comptroller could, but would not be required to, implement the bill using other available appropriations.

NOTES:

According to the Legislative Budget Board, the bill would result in a negative impact of \$344,000 to general revenue related funds through the fiscal 2018-19 biennium, with costs decreasing to \$164,000 for subsequent biennia.