

BILL ANALYSIS

Senate Research Center

S.B. 1041
By: Bettencourt
Finance
3/16/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1041 requires that additional language be added to ballot language for bond propositions to further educate voters about the cost of the debt proposition and the debt burden of the taxing unit proposing the debt. These changes will allow voters to make more informed decisions when they decide to vote for or against ballot propositions to issue tax-supported debt or to authorize a tax that will be later used to support issuing debt.

The following information would be required on the ballot for a measure to issue debt: the total amount of the political subdivision's debt outstanding, the amount of the political subdivision's debt service payments, and the amount of taxes that would be imposed on the median value homestead in the political subdivision in order to pay back both the total debt burden and the proposition up for approval.

For propositions that do not authorize the issuance of debt but only authorize the imposition of a tax or increasing the rate of a tax the following information would be required: the amount of taxes that would be imposed on the median value homestead in the political subdivision if the tax is approved and the purpose for which the tax is being approved or increased.

Finally, for propositions that reduce the rate of a tax already imposed, the ballot language must state the amount of taxes that would no longer be imposed on the median value homestead in the political subdivision.

As proposed, S.B. 1041 amends current law relating to required disclosures in ballot proposition language authorizing political subdivisions to issue bonds or impose or change a tax.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 52.072, Election Code, as follows:

(f) Requires that, in addition to the requirements of Subsection (e) and any other requirement imposed by law for a proposition, including a provision prescribing the proposition language, a proposition submitted to the voters for approval of the issuance of bonds or the imposition, increase, or reduction of a tax for any political subdivision, including municipalities, counties, school districts, and special taxing districts, specifically state, as applicable:

- (1) with respect to a proposition seeking voter approval of the issuance of bonds:
 - (A) the total amount of the political subdivision's debt currently outstanding;
 - (B) the total amount of the political subdivision's current debt payments;

(C) the amount of taxes required to be imposed on a homestead with a value equal to the median homestead value in the political subdivision, as computed by the appraisal district, to repay the political subdivision's current debt obligations; and

(D) the estimated tax burden that would be imposed on a homestead with a value equal to the median homestead value in the political subdivision, as computed by the appraisal district, to repay the bonds to be authorized, if approved;

(2) with respect to a proposition that only seeks voter approval of the imposition or increase of a tax:

(A) the estimated additional tax burden that would be imposed on a homestead with a value equal to the median homestead value in the political subdivision, as computed by the appraisal district, after the imposition or increase of the tax, if approved; and

(B) a detailed description of the purposes for which the tax is to be imposed or increased, if approved; or

(3) with respect to a proposition that only seeks voter approval of the reduction of a tax, the estimated tax reduction for a homestead with a value equal to the median homestead value in the political subdivision, as computed by the appraisal district, if the reduction of the tax is approved.

SECTION 2. Provides that the changes in law made by this Act apply only to a ballot for an election ordered on or after the effective date of this Act. Provides that an election ordered before the effective date of this Act is governed by the law in effect when the election was ordered, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2015.