

BILL ANALYSIS

Senate Research Center
86R3531 ATP-F

S.B. 462
By: Campbell
Property Tax
2/21/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Outstanding local bond debt in Texas has dramatically increased in recent years, contributing to the rapid rise of property taxes. Counties, municipalities, and other political subdivisions issuing new bonds are not currently required to disclose certain facts on a ballot proposition. S.B. 462 seeks to ensure voters have full information and transparency on proposed ballot measures when casting their ballots in the voting booth. S.B. 462 requires bond propositions on ballots to be clear and provide sufficient detail so the voter knows exactly what they are voting for and the long-term impact of that vote.

As proposed, S.B. 462 amends current law relating to ballot propositions authorizing certain political subdivisions to issue debt obligations.

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 Chapter 1251, Government Code, by designating Sections 1251.001, 1251.002, 1251.003, 151.004, 1251.005, and 1251.006 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. PROVISIONS RELATING GENERALLY TO COUNTY AND MUNICIPAL BOND ELECTIONS

SECTION 2. Amends Chapter 1251, Government Code, by adding Subchapter B, as follows:

SUBCHAPTER B. BALLOT FOR BONDS ISSUED BY POLITICAL SUBDIVISION

Sec. 1251.051. DEFINITIONS. Defines "debt obligation" and "political subdivision."

Sec. 1251.052. CONTENTS OF BALLOT PROPOSITION. Requires the proposition submitted for an election to authorize a political subdivision to issue debt obligations to distinctly state the purpose for which the debt obligations are to be authorized, the principal amount of the debt obligations to be authorized, that taxes sufficient to pay the annual principal of and interest on the debt obligations may be imposed, the aggregate amount of the outstanding principal of the political subdivision's debt obligations as of the beginning of the political subdivision's fiscal year in which the election is ordered, and the ad valorem debt service tax rate for the political subdivision at the time the election is ordered, expressed as an amount per \$100 valuation of taxable property.

Sec. 1251.053. FORM OF BALLOT. Authorizes the secretary of state to adopt a form of the ballot for an election held under this subchapter. Provides that a political subdivision is not required to use any adopted form.

SECTION 3. Make application of this Act prospective.

SECTION 4. Effective date: September 1, 2019.