

## **BILL ANALYSIS**

C.S.H.B. 3204  
By: Sanford  
Public Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that the current process for issuing debt through school district bond elections does not provide voters with sufficient information to make an informed decision in the voting booth. C.S.H.B. 3204 seeks to address this issue and increase transparency in this process by limiting the number of projects that may be included on a ballot proposition in such an election and providing for voter information documents for tax-supported bonds.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3204 amends the Education Code to prohibit a ballot prepared for an election to authorize the issuance of bonds by the governing board of an independent school district or a county commissioners court from containing more than two propositions as follows:

- a proposition to issue bonds for new infrastructure projects that provides for voting for or against authorizing the issuance of bonds to support all new infrastructure projects listed in the proposition; and
- a proposition to issue bonds for replacements and upgrades projects that provides for voting for or against authorizing the issuance of bonds to support all replacements and upgrades projects listed in the proposition.

C.S.H.B. 3204 requires a governing board or commissioners court that calls such an election for the issuance of bonds to prepare a voter information document for each proposition to be voted on at the election and sets out the required contents of the document, which must be posted in the same manner that a debt obligation election order must be posted. The bill authorizes the governing board or commissioners court to include the voter information document in the election order, but prohibits information regarding the geographic location for a replacements and upgrades project listed in an applicable proposition from being included in the voter information document.

C.S.H.B. 3204 requires the governing board or commissioners court to identify in the election order the major assumptions made in connection with the estimated maximum annual increase in the amount of taxes imposed on certain residence homesteads to repay the debt obligations to be authorized, including:

- the amortization of the district's debt obligations, including outstanding debt obligations and the debt obligations for the proposed bonds;
- changes in estimated future appraised values within the district; and
- the assumed interest rate on the proposed bonds.

The bill requires a district that maintains a website to provide the information required to be included in the voter information document on its website in an easily accessible manner beginning not later than the 21st day before election day and ending on the day after the date of the election.

C.S.H.B. 3204 requires a district that maintains a website to publish notice of the district's intention to issue a certificate of obligation on bonds on the district's website for at least 45 days before the date tentatively set for the passage of the resolution or order authorizing the issuance of the certificate and provides for the contents of the notice. The bill establishes that, to the extent of a conflict between a provision of the bill and another law applicable to the ballot proposition language or voter information document requirements for an election to authorize the issuance of bonds, the bill's provisions control. The bill establishes that an officer or employee of a governing board who, in compliance with the bill's requirements relating to a voter information document, provides the information required in the document does not violate certain Election Code provisions prohibiting conduct constituting an unlawful use of public funds for political advertising, regardless of whether the information provided is sufficiently substantial and important as to be reasonably likely to influence a voter to vote for or against the measure.

#### **EFFECTIVE DATE**

September 1, 2019.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3204 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include a prohibition against the governing board of an independent school district or a county commissioners court including more than one project in any proposition submitted to authorize the issuance of bonds.

The substitute includes a prohibition against a ballot prepared for an election to authorize the issuance of bonds by the governing board of an independent school district or a county commissioners court containing more than one proposition to issue bonds for new infrastructure projects and one proposition to issue bonds for replacements and upgrades projects.

The substitute includes provisions relating to a required voter information document for tax-supported bonds, notice requirements regarding the issuance of certificates of obligation on such bonds, and the conflict between the bill's provisions and other state law applicable to the ballot proposition language or voter information document requirements.