

BILL ANALYSIS

Senate Research Center
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S.B. 637
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, counties and municipalities may not issue bonds that are paid from ad valorem taxes unless the issuance is approved in an election. Current law provides for a standard template for the contents of the ballot proposition and election notice requirements for cities and counties. S.B. 637 makes the ballot proposition and notice requirements for a bond election consistently applicable to a taxing unit.

As proposed, S.B. 637 amends current law relating to notice and proposition language requirements for bond approval elections held by political subdivisions.

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 adding Section 1251.0001, as follows:

Sec. 1251.0001. DEFINITION. Defines "taxing unit" in this chapter.

SECTION 2. Amends Section 1251.001, Government Code, to prohibit a taxing unit, rather than a county or municipality, from issuing bonds that are to be paid from ad valorem taxes unless the issuance is first approved by the qualified voters of the taxing unit in an election. Makes a conforming change.

SECTION 3. Amends Section 1251.002, Government Code, to require that the proposition submitted in an election under this chapter distinctly state the imposition of taxes, including the maximum tax rate, sufficient to pay the annual interest on the bonds and to provide a sinking fund to redeem the bonds at maturity; the aggregate amount of outstanding bonds and other debt obligations, including interest, accumulated by the taxing unit on the date of the election; and the ad valorem debt tax rate for the outstanding bonds and other debt obligations, including interest, imposed by the taxing unit on the date of the election, in addition to certain other content.

SECTION 4. Amends Section 1251.003, Government Code, by amending Subsections (a) and (d), and adding Subsection (e-1), as follows:

(a) Provides that the general election laws govern an election under this chapter, except as provided by this section.

(d) Makes nonsubstantive changes and requires that notice of the election, in addition to the notice required by Section 4.003(c) (relating to notice of an election being required to be given by a certain method), Election Code, be given by:

(1) posting a substantial copy of the election order at:

(A) three public places in the boundaries of the taxing unit, rather than in the county or municipality, holding the election; and

(B) the county courthouse, if the election is a county election, or the city hall, if the election is a municipal election;

(2) publishing notice of the election in a newspaper of general circulation in the boundaries of the taxing unit, rather than a county or municipality, holding the election; and

(3) prominently posting the notice of the election and the contents of the proposition on the taxing unit's Internet website, if the taxing unit maintains an Internet website.

(e-1) Requires that the notice and proposition be posted on the Internet website as soon as practicable after the election is ordered and must remain on the website through the date of the election, if required by Subsection (d)(3).

SECTION 5. Amends Section 1251.004, Government Code, to require the governing body of the taxing unit, rather than the county or municipality, to also submit the question of whether to impose a tax on property in the taxing unit, other political subdivision, or defined district to pay interest on the bonds and to provide a sinking fund to redeem the bonds, at an election ordered on the issuance of bonds of a taxing unit, or of a political subdivision or defined district of a county or municipality. Makes conforming and nonsubstantive changes.

SECTION 6. Amends Section 1251.005, Government Code, to set forth the language required to be printed on the ballots at an election under this chapter to permit voting for or against the proposition.

SECTION 7. Makes application of this Act prospective.

SECTION 8. Effective date: upon passage or September 1, 2013.