

## **BILL ANALYSIS**

Senate Research Center  
85R24164 JXC-D

C.S.S.B. 625  
By: Kolkhorst  
Intergovernmental Relations  
4/19/2017  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas has seen a proliferation of special purpose taxing districts in recent years. A person may work or reside in an area governed by a variety of special districts. Special districts are governed by boards that are directly elected by the people or appointed by elected representatives. While these entities play an important role in providing necessary services, it can be difficult for the average citizen to obtain important financial and tax data about the special districts that administer so many facets of their daily lives. This data is important to allow the voters the ability to make informed decisions about how these districts should operate and who should govern them.

S.B. 625 instructs the comptroller of public accounts to create a Special Purpose District Public Information Database that contains data related to all active districts' financial and tax data. Each active district that imposes a sales tax or property tax or that imposes an assessment or charges a fee would be required to submit a variety of data to the online database.

Each district would be required to provide their contact information, their board members, their website, if any, and information related to debt, bonds, tax rates, and revenue. To the extent that any district is required to provide this data to another agency, such as the Texas attorney general or the Texas Commission on Environmental Quality, then the comptroller may require that agency to provide the information.

Any district that fails to submit the data would be placed on a noncompliance list and would be subject to a penalty.

The committee substitute makes clarifications on the type of information required to be placed on the database and clarifies that the bill does not take effect unless it receives an appropriation.

C.S.S.B. 625 amends current law relating to public access to financial and tax rate information of certain special purpose districts and imposes a civil penalty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted the Texas comptroller of public accounts in SECTION 1 (Section 403.0241, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 403, Government Code, by adding Sections 403.0241 and 403.0242, as follows:

Sec. 403.0241. SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE. (a) Defines "special purpose district" and "tax year."

(b) Requires the Texas comptroller of public accounts (comptroller) to create and make accessible on the Internet a database, to be known as the Special Purpose District Public Information Database (database), that contains information regarding all active special purpose districts (districts) of this state that are authorized by the state by a general or special law to impose an ad valorem tax or

a sales and use tax, to impose an assessment, or to charge a fee, and during the most recent fiscal year had bonds outstanding, had gross receipts from operations, loans, taxes, or contributions in excess of \$250,000 or had cash and temporary investments in excess of \$250,000.

(c) Requires that the database include certain information for each district described by Subsection (b).

(d) Authorizes the comptroller to consult with the appropriate officer of, or other person representing, each district to obtain the information necessary to operate and update the database.

(e) Authorizes the comptroller, to the extent information required in the database is otherwise collected or maintained by a state agency or district, to require the state agency or district to provide that information and updates to the information as necessary for inclusion in the database.

(f) Requires the comptroller to update information in the database annually.

(g) Prohibits the comptroller from charging a fee to the public to access the database.

(h) Authorizes the comptroller to establish procedures and adopt rules to implement this section.

Sec. 403.0242. SPECIAL PURPOSE DISTRICT NONCOMPLIANCE LIST. Requires the comptroller to prepare and maintain a noncompliance list of districts that have not timely complied with a requirement to provide information under Section 203.062, Local Government Code.

SECTION 2. Amends Chapter 203, Local Government Code, by adding Subchapter D, as follows:

#### SUBCHAPTER D. RECORDS AND INFORMATION PROVIDED TO COMPTROLLER

Sec. 203.061. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter applies only to a district described by Section 403.0241(b), Government Code.

Sec. 203.062. PROVISION OF CERTAIN RECORDS AND OTHER INFORMATION TO COMPTROLLER. (a) Requires a district to transmit records and other information to the comptroller annually for purposes of providing the comptroller with information to operate and update the database under Section 403.0241, Government Code.

(b) Provides that the district may comply with Subsection (a) by affirming that records and other information previously transmitted are current.

(c) Requires the district to transmit the records and other information in a form and in the manner prescribed by the comptroller.

Sec. 203.063. PENALTIES FOR NONCOMPLIANCE. (a) Requires the comptroller, if a district does not timely comply with Section 203.062, to provide a certain written notice to the district.

(b) Requires the district, not later than the 30th day after the date the comptroller provides notice to a district under Subsection (a), to report the required information.

(c) Provides that if a district does not report the required information as prescribed by Subsection (b), the district is liable to the state for a civil penalty of \$1,000 and the comptroller is required to provide a certain written notice to the district.

(d) Requires the district, not later than the 30th day after the date the comptroller provides notice to a district under Subsection (c), to report the required information.

(e) Provides that if a district does not report the required information as prescribed by Subsection (d) the district is liable to the state for a civil penalty of \$1,000 and the comptroller is required to reflect the noncompliance in the list maintained under Section 403.0242, Government Code, until the district reports all information required under Section 203.062 and to provide written notice to the district that the noncompliance will be reflected in the list until the district reports the required information.

(f) Authorizes the Texas attorney general to sue to collect a civil penalty imposed by this section.

SECTION 3. (a) Requires the comptroller to create and post on the Internet the database required by Section 403.0241, Government Code, as added by this Act, not later than January 1, 2018.

(b) Requires the comptroller, not later than January 1, 2018, to send written notice to each district described by Section 403.0241(b), Government Code, as added by this Act, that describes the changes in law made by this Act. Requires each district that receives notice to submit to the comptroller any information required under Section 403.0241, Government Code, or Section 203.062, Local Government Code, as added by this Act, not later than the 90th day after the date the district receives the notice.

(c) Provides that the comptroller, notwithstanding another provision of this Act, including Subsections (a) and (b) of this section, is required to implement this Act only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require, the comptroller, if the legislature does not appropriate money specifically for that purpose, to implement this Act using other appropriations available for that purpose.

SECTION 4. Effective date: September 1, 2017.