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## **'Texas Two-Thirds Act' Gives Texas Voters Greater Say Over Local Debt**

AUSTIN – State Senator Donna Campbell filed a bill today to make it harder for local governments to increase debt on the backs of Texas property owners. The Texas Two-Thirds Act, or Senate Bill 1090, protects Texas taxpayers by requiring a two-thirds vote by the electorate to pass any bond initiative funded by an increase in ad valorem property taxes.

"More local debt means higher property taxes," said Senator Campbell. "While local debt can be a useful tool for capital projects like infrastructure and roads, unfortunately, with increasing frequency, frivolous borrowing is taking place for water parks, extravagant downtown libraries, and for addressing long-neglected or deferred maintenance."

Texans who pay property taxes bear the greatest burden of ad valorem increases that result from local governments taking on more debt. Because passage of local bonds disproportionately affects those who receive a property tax bill and can ultimately determine whether they can afford to stay in their homes, SB 1090 would require a supermajority for a political subdivision to take on additional local debt. The current threshold is a simple majority, or 50 percent.

"As cities borrow, they make it harder for Texans to afford their homes, and we must act to level the playing field in favor of property owners. With taxpayers on the hook, it should take more than a simple majority to approve these tax hikes," said Senator Campbell.

Bond propositions for cities and counties have had an average passing rate of 85 percent since 2014. According to the Bond Review Board, local debt issuance has increased by nearly 40% in the past 5 years, making Texas second only to the state of California when it comes to outstanding local debt. That calculates to a whopping cost of \$8,500 per person.

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