Legislation Details (With Text)

File #:	22-4683	**Version:**	1	**Name:**	
Type:	Discussion Item			**Status:**	Passed
File created:	7/26/2022			**In control:**	Commissioners Court
On agenda:	8/2/2022			**Final action:**	8/2/2022
Title:	Request for discussion and possible action of ballot initiatives for a potential increase to bond authority available to Harris County.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
8/2/2022	1	Commissioners Court		
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Department: County Administration
Department Head/Elected Official: David Berry, County Administrator

Regular or Supplemental RCA: Regular RCA
Type of Request: Discussion Item

Project ID (if applicable): N/A
Vendor/Entity Legal Name (if applicable): N/A

MWDBE Contracted Goal (if applicable): N/A
MWDBE Current Participation (if applicable): N/A
Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):
Request for discussion and possible action of ballot initiatives for a potential increase to bond authority available to Harris County.

Background and Discussion:

At the June 14, 2022, meeting, Commissioners Court requested that the County Administrator and Budget Director provide recommendations on potential ballot initiatives in November 2022. The purpose of this item is to provide the outline of a potential proposal and request guidance from Commissioners Court.

Should Commissioners Court wish to hold a bond election in November 2022, it must adopt an order calling an election not earlier than 90 days before Election Day (August 10, 2022) and not later than the 78th day before

Election Day (August 22, 2022). The order or orders must describe with reasonable specificity each item to be placed on the ballot. It is not possible to combine multiple investment areas into a single referendum item. Potential bond initiatives include: public safety; roads (including drainage) and transportation; and parks.

On July 19, 2022, Commissioners Court mentioned that staff should provide additional details about a community engagement plan. County staff will be prepared to discuss.

Expected Impact:

A bond issuance would expand the County's ability to make needed capital investments. It would require approving the tax rate to pay debt service on the bonds. For context, the County's debt service tax rate, including the Flood Control District, the Hospital District and the Port of Houston has decreased 32% from $0.08762 (Tax Year 2017) to $0.05989 (Tax Year 2021) over the last 5 years. The overall Harris County tax rate is unlikely to increase due to paying off other debt, the appreciation of property, and state-imposed revenue caps.

The property tax impact is about $0.010 per $100 of assessed value based on estimated tax year 2022 values assuming $1 billion issuance of 25-year debt with constant principal and interest payments. This is based on current rates as of May 20, 2022, plus 50 basis points. Based on input from the County's financial advisor, the County has substantial bond capacity without jeopardizing its AAA credit rating.

Alternative Options:

The County could not proceed with a bond issuance in 2022 and could postpone to a future year.

Alignment with Goal(s):

X Justice and Safety
_ Economic Opportunity
_ Housing
_ Public Health
X Transportation
X Flooding
_ Environment
_ Governance and Customer Service

Prior Court Action (if any)**:**

Date	Agenda Item #	Action Taken
07.19.2022	12	No Action taken
06.28.2022	17	No Action taken
06.14.2022	12	No Action taken

Location:
Address (if applicable): N/A
Precinct(s): Countywide

Fiscal and Personnel Summary			
Service Name			
	SFY 22	**FY 23**	**Next 3 FYs**
Incremental Expenditures (do NOT write values in thousands or millions)			
Labor Expenditures	$	$	$
Non-Labor Expenditures	$	$	$
Total Incremental Expenditures	**$**	**$**	**$**
Funding Sources (do NOT write values in thousands or millions)			
Existing Budget			
Choose an item.	$	$	$
Choose an item.	$	$	$
Choose an item.	$	$	$
Total Current Budget	$	$	$
Additional Budget Requested			
Choose an item.	$	$	$
Choose an item.	$	$	$
Choose an item.	$	$	$
Total Additional Budget Requested	$	$	$
Total Funding Sources	**$**	**$**	**$**
Personnel (Fill out section only if requesting new PCNs)			
Current Position Count for Service	-	-	-
Additional Positions Requested	-	-	-
Total Personnel	**-**	**-**	**-**

Anticipated Court Date: August 2, 2022

Anticipated Implementation Date (if different from Court date): November 2022

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: David Berry, County Administrator, Office of County Administration

Attachments (if applicable)**:** N/A

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