

BILL ANALYSIS

H.B. 156
By: Larson
Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In Texas, some municipalities hold bond elections to raise revenue to pay for certain items, such as streets, drainage, parks, and libraries and it is noted that, until the bond projects are completed, bond proceeds cannot be used for anything other than the items listed on the ballot for voter approval. It is further noted that, if there is surplus funding left when projects are completed, those funds can be redirected to other programs and items within a municipality's budget. There are concerns regarding the redirection of surplus bond proceeds to purposes not itemized in the ballot for voter approval at the bond election. Interested parties contend that this practice of redirecting proceeds challenges voter intent and that prohibiting municipalities from spending bond proceeds on anything other than projects approved by voters in the bond election preserves voter intent. H.B. 156 seeks to address this issue.

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

H.B. 156 amends the Government Code to restrict the governing body of a home-rule municipality's use of unspent proceeds of municipal bonds that have been sold and delivered for a specific purpose to use only for the specific purpose, including retiring the outstanding bonds.

EFFECTIVE DATE

September 1, 2015.