

BILL ANALYSIS

H.B. 3462
By: Hunter
Intergovernmental Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When certain local governments wish to develop a project, they have several options to finance the project, including issuing bonds or paying through existing tax revenue sources. As it relates to paying through existing revenue sources, current law provides for a public school district's use, purchase, or other acquisition of real property by contract. However, the bill author has informed the committee that, for cities, there is no specific statute under current law addressing the ability to enter into these types of agreements for the acquisition of real property and, for counties, there is only limited statutory guidance. The bill author has informed the committee that current law includes certain protections for taxpayers, such as a requirement to publish the intent to enter into an agreement and the ability for voters to petition for a vote on an agreement when it relates to public school districts and that those taxpayer protections should be extended to other local governments. H.B. 3462 seeks to provide for greater uniformity relating to the use or purchase or other acquisition of real property under the Public Property Finance Act by expanding the applicability of the provisions currently authorizing districts to execute, perform, and make payments under a contract for such use or purchase or other acquisition to include certain local governments.

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. 3462 amends the Local Government Code to revise the definition of a "governing body" under the Public Property Finance Act to specify that the property that such a body or group is authorized by law to acquire includes real property. The bill expands the applicability of provisions relating to the authority of the board of trustees of a public school district to execute, perform, and make payments under a contract under the act for the use or purchase or other acquisition of real property or an improvement to real property by making those provisions applicable instead with respect to the governing body of a governmental agency. The bill extends the maximum authorized term of a contract under the Public Property Finance Act from 25 years to 35 years.

H.B. 3462 applies only to a contract entered into on or after the bill's effective date. A contract entered into before the bill's effective date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.