

BILL ANALYSIS

Senate Research Center

H.B. 3526
By: Capriglione et al. (West)
Local Government
5/7/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Local governments in Texas frequently issue bonds to finance infrastructure projects and other public initiatives. However, taxpayers and stakeholders often face challenges in accessing clear and comprehensive financial information about these bonds. A lack of fiscal transparency can lead to confusion about how bond proceeds are used, potential tax impacts, and the overall financial health of local government entities.

To address these concerns, Representative Capriglione introduced H.B. 3526, which enhances fiscal transparency for bonds issued by local government entities. This legislation aims to ensure that taxpayers have easy access to relevant financial information, promoting accountability and informed decision-making. A committee substitute will be introduced to incorporate additional reporting requirements for bond elections and outstanding debt, with all reported information maintained and presented by the Texas Bond Review Board (BRB).

Enhanced Financial Disclosure: Local government entities must publicly disclose detailed financial information related to bond issuances.

Standardized Reporting: Requires a uniform reporting format for transparency, making financial statements easier to compare and understand.

Public Access: Bond-related financial data will be collected, maintained, and publicly presented on BRB website, ensuring taxpayers can review bond proceeds, outstanding debt, and associated expenditures.

Pre-Issuance Transparency: Entities must provide clear projections on tax implications and debt obligations before issuing new bonds.

- Political subdivisions must submit bond election reports to the state at least 20 days before an election, detailing the election date, proposition numbers, amounts, and purpose.
- After an election, an additional report must be submitted within 20 days, detailing vote counts, election results, and any updates to pre-election reports.
- Bond election results will be posted on a public website.
- By September 30 each year, political subdivisions must report outstanding but unissued debt, including authorization details and legal references.

The state board overseeing these reports may adopt rules for implementation.

H.B. 3526 amends current law relating to fiscal transparency for bonds issued by local governmental entities.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Bond Review Board in SECTION 2 (Section 1231.026, Government Code) and SECTION 3 (Section 1231.065, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1202.008(c), Government Code, to require the attorney general to send the information to the Texas Bond Review Board (BRB) for inclusion in the reports required by Sections 1231.062 (Biennial Debt Statistics Report) and 1231.065, rather than in BRB's report of debt statistics under Section 1231.062.

SECTION 2. Amends Subchapter B, Chapter 1231, Government Code, by adding Sections 1231.024, 1231.025, and 1231.026, as follows:

Sec. 1231.024. **SEARCHABLE DATABASE FOR LOCAL BOND OBLIGATIONS.** (a) Requires BRB to develop and maintain on BRB's Internet website a publicly accessible and searchable database that provides, in a table format that is easy to read and understand, information on each bond proposed or issued by a local government.

(b) Requires that the database include for each proposed and issued bond listed in the database certain data.

Sec. 1231.025. **LOCAL BOND ELECTION INFORMATION.** (a) Requires a local government, not later than the 20th day before election day for an election to authorize the local government to issue bonds, to submit a report to BRB that includes certain information.

(b) Requires a local government, not later than the 20th day after election day for an election to authorize the local government to issue bonds, to submit a report to BRB that includes certain information.

(c) Requires BRB to publish a report on the results of an election to authorize a local government to issue bonds on BRB's Internet website.

Sec. 1231.026. **ANNUAL LOCAL UNISSUED SECURITIES REPORT.** (a) Requires a local government with voter-approved but unissued bonds, not later than September 30 of each year, to submit a report to BRB regarding the amount of voter-approved but unissued bonds authorized by the local government during the most recent fiscal year. Requires that the report include certain information.

(b) Authorizes BRB to adopt rules to implement this section.

SECTION 3. Amends Subchapter D, Chapter 1231, Government Code, by adding Section 1231.065, as follows:

Sec. 1231.065. **BIENNIAL REPORT ON REPAYMENT OF BONDS ISSUED BY LOCAL GOVERNMENTS.** (a) Requires BRB, not later than December 31 of each even-numbered year, to prepare and submit to each standing committee of the legislature with primary jurisdiction over matters relating to finance a report on the repayment status of each voter-approved bond issued by a local government.

(b) Requires that the report required by Subsection (a) include certain data.

(c) Authorizes BRB to adopt any rules necessary to implement this section.

SECTION 4. Requires BRB, as soon as practicable but not later than September 1, 2026, to establish the database as required by Section 1231.024, Government Code, as added by this Act.

SECTION 5. Effective date: September 1, 2025.