

## **BILL ANALYSIS**

C.S.H.B. 3526  
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Pensions, Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to the comptroller of public accounts, local governments in Texas frequently issue bonds to finance infrastructure projects and other public initiatives through the use of general obligation bonds, which require voter approval. However, the bill author has informed the committee that taxpayers and stakeholders often struggle to access clear and comprehensive financial information about these bonds, causing a lack of fiscal transparency that can lead to confusion about how bond proceeds are used, potential tax impacts, and the overall financial health of local government entities. C.S.H.B. 3526 seeks to enhance fiscal transparency for bonds issued by local government entities and ensure taxpayers have easy access to relevant financial information by standardizing reporting and public disclosure requirements with respect to local government bond proposals or issuances, related election information, voter-approved but unused bonds, and the repayment of voter-approved bonds.

### **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 rulemaking authority is expressly granted to the Bond Review Board in SECTIONS 2 and 3 of this bill.

### **ANALYSIS**

C.S.H.B. 3526 amends the Government Code to require the Bond Review Board to develop and maintain on the board's 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. The bill requires the database to include for each proposed and issued bond listed in the database the amount of the principal of the bond, the estimated amount of interest on the bond, and the estimated total amount to pay the principal of and interest on the bond. The bill requires the board, as soon as practicable but not later than September 1, 2026, to establish the database.

C.S.H.B. 3526 requires a local government to submit the following reports to the Bond Review Board:

- not later than the 20th day before election day for an election to authorize the local government to issue bonds, a report that includes the following information:
  - the date of the election;
  - the proposition number for each bond proposition;
  - the total estimated cost of the issuance of each proposed bond;
  - a description of the purpose of each bond proposition; and
  - any other information the board determines necessary; and

- not later than the 20th day after election day for an election to authorize a local government to issue bonds, a report that includes the following information:
  - the total number of votes cast for each bond proposition;
  - the total number of votes in support of the bond proposition;
  - the total number of votes against the bond proposition;
  - any updated information different from the information provided to the board in the report sent prior to election day, if applicable; and
  - any other information the board determines necessary.

The bill requires the Bond Review Board to publish a report on the results of an election to authorize a local government to issue bonds on the board's website.

C.S.H.B. 3526 requires a local government with voter-approved but unissued bonds, not later than September 30 of each year, to submit a report to the Bond Review Board regarding the amount of voter-approved but unissued bonds authorized by the local government during the most recent fiscal year and requires the report to include the following information:

- the total amount of voter-approved but unissued bonds authorized by the local government;
- the specific statute or law authorizing the issuance of the bonds;
- the number of the propositions that authorized the issuance of the bonds, as applicable;
- the estimated cost of the issuance of the bonds on the bond proposition, as applicable; and
- any other information the board determines necessary.

The bill authorizes the Bond Review Board to adopt rules to implement these bill provisions relating to an annual local unissued securities report.

C.S.H.B. 3526 requires the Bond Review Board, 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. The bill requires the report to include the following:

- for each voter-approved bond issued by a local government, the estimated total amount required to pay the principal of and interest on the bond on the date the bond was issued and the total amount of principal and interest paid by the local government on the bond; and
- if a local government requires an increase in the local government's tax rate in order to pay the principal of and interest on bonds issued by the local government, the amount of the required increase.

The bill authorizes the board to adopt any rules necessary to implement these bill provisions relating to the board's biennial report on the repayment of bonds issued by local government. The bill includes such a report among the reports for which the attorney general is required to send to the board information the attorney general collects on public securities issued by a municipal corporation or political subdivision of the state.

### **EFFECTIVE DATE**

September 1, 2025.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 3526 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes the following provisions absent from the introduced relating to required reporting by local governments to the Bond Review Board:

- a provision requiring a local government to submit a report to the board not later than the 20th day before the day of an election to authorize the local government to issue bonds;
- a provision requiring a local government to submit a report to the board not later than the 20th day after the day of an election to authorize a local government to issue bonds;
- a provision requiring a local government with voter-approved but unissued bonds, not later than September 30 of each year, to submit a report to the board regarding the amount of voter-approved but unissued bonds authorized by the local government during the most recent fiscal year;
- provisions relating to the required content of such reports;
- a provision requiring the board to publish a report on the results of an election to authorize a local government to issue bonds on the board's website; and
- a provision authorizing the board to adopt rules to implement the bill's provisions relating to annual local unused securities reports.