

By: Capriglione, Bumgarner, Wilson

H.B. No. 3526

A BILL TO BE ENTITLED

AN ACT

relating to fiscal transparency for bonds issued by local governmental entities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1202.008(c), Government Code, is amended to read as follows:

(c) The attorney general shall send the information to the Bond Review Board for inclusion in the reports required by Sections ~~[board's report of debt statistics under Section]~~ 1231.062 and 1231.065.

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

Sec. 1231.024. SEARCHABLE DATABASE FOR LOCAL BOND OBLIGATIONS. (a) The board shall develop and maintain on the board'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) The database must include for each proposed and issued bond listed in the database:

(1) the amount of the principal of the bond;

(2) the estimated amount of interest on the bond;

(3) the estimated total amount to pay the principal of

1 and interest on the bond; and

2 (4) the estimated minimum dollar amount required to be
3 annually expended for debt service.

4 Sec. 1231.025. LOCAL BOND ELECTION INFORMATION. (a) Not
5 later than the 20th day before election day for an election to
6 authorize a local government to issue bonds, the local government
7 shall submit a report to the board that includes:

8 (1) the date of the election;

9 (2) the proposition number for each bond proposition;

10 (3) the total estimated cost of the issuance of each
11 proposed bond;

12 (4) the estimated minimum dollar amount required to be
13 annually expended for debt service;

14 (5) a description of the purpose of each bond
15 proposition; and

16 (6) any other information the board determines
17 necessary.

18 (b) Not later than the 20th day after election day for an
19 election to authorize a local government to issue bonds, the local
20 government shall submit a report to the board that includes:

21 (1) the total number of votes cast for each bond
22 proposition;

23 (2) the total number of votes in support of the bond
24 proposition;

25 (3) the total number of votes against the bond
26 proposition;

27 (4) any updated information different from the

information provided to the board under Subsection (a), if applicable; and

(5) any other information the board determines necessary.

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

Sec. 1231.026. ANNUAL LOCAL UNISSUED SECURITIES REPORT.

(a) Not later than September 30 of each year, a local government with voter-approved but unissued bonds shall 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. The report must include:

(1) the total amount of voter-approved but unissued bonds authorized by the local government;

(2) the specific statute or law authorizing the issuance of the bonds;

(3) the number of the propositions that authorized the issuance of the bonds, as applicable;

(4) the estimated cost of the issuance of the bonds on the bond proposition, as applicable;

(5) the estimated minimum dollar amount required to be annually expended for debt service after the issuance of the bonds; and

(6) any other information the board determines necessary.

(b) The board may adopt rules to implement this section.

SECTION 3. Subchapter D, Chapter 1231, Government Code, is amended by adding Section 1231.065 to read as follows:

Sec. 1231.065. BIENNIAL REPORT ON REPAYMENT OF BONDS ISSUED BY LOCAL GOVERNMENTS. (a) Not later than December 31 of each even-numbered year, the board shall 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) The report required by Subsection (a) must include:

(1) for each voter-approved bond issued by a local government:

(A) the estimated total amount required to pay the principal of and interest on the bond on the date the bond was issued;

(B) the total amount of principal and interest paid by the local government on the bond; and

(C) the minimum dollar amount required to be expended for debt service for each year of the biennium covered by the report; and

(2) 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.

(c) The board may adopt any rules necessary to implement this section.

SECTION 4. As soon as practicable but not later than September 1, 2026, the Bond Review Board shall establish the

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1 database as required by Section 1231.024, Government Code, as added
2 by this Act.

3 SECTION 5. This Act takes effect September 1, 2025.