Texas Public Policy Foundation

A TRIO OF NEW TRANSPARENCY LAWS:
Examining the Open Government Reforms Instituted by SB 843, HB 103, & HB 3526

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AUGUST 2025

INTRODUCTION

During the Regular Session, the 89th Texas Legislature passed three key measures to meaningfully improve fiscal transparency and cultivate a more informed decision-making environment. These well-intentioned measures include:

- HB 103 (2025), relating to the creation and maintenance of a database of taxing unit bond, tax, and bond-related project information; providing a civil penalty;

- HB 3526 (2025), relating to fiscal transparency for bonds issued by local governmental entities; and

- SB 843 (2025), relating to a Texas Education Agency database of school district and open-enrollment charter school bonds, taxes, and bond-related projects.

While these bills differ in their details, each one takes aim at a similar problem: the lack of reliable, readily accessible, and digestible information regarding proposed voter-approval tax rate elections and bond elections, tax impact estimates, election outcomes, project details, and more. Without this knowledge, many Texans are left uninformed about pending election matters as well as the fiscal health of their local governments, which continues to be the source of growing concern.[1]

To raise public awareness and promote a more informed decision-making environment, the Legislature enacted HB 103, HB 3526, and SB 843, each of which becomes effective on September 1, 2025 (HB 103 Bill Analysis, 2025a; HB 3526 Bill Analysis, 2025a; SB 843 Bill Analysis, 2025). Once this trio of transparency legislation fully takes root and their systems are online, taxpayers will have new tools and databases available with which to better illuminate local matters.

The section-by-section analysis below examines each of these new laws in greater detail and notes key aspects that may pique public interest.

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1   Local government taxes, spending, and debt are in a troubled state. For instance, recent studies suggest that Texas is home to the 7th highest effective property tax rate in the nation (Yushkov, 2025). Many of its largest city and county budgets grew faster than population and inflation from 2019 to 2023 (Quintero, 2024), and the state's local debt per capita ranks as the 3rd highest among the top ten most populous states (BRB, 2025, p. 4).

HOUSE BILL 103 OVERVIEW

The purpose of HB 103 is "to empower taxpayers with critical information relating to their financial obligations to local governments and increase transparency in the state" (HB 103 Bill Analysis, 2025b, p. 1).

In furtherance of these twin goals, HB 103 directs the Texas Comptroller, in coordination with the Bond Review Board (BRB), "to develop and maintain a database of current and historical information regarding taxes imposed and bonds issued by each taxing unit in the state" (HB 103 Bill Analysis, 2025a, p. 1). The Comptroller's database is required to include several items of information, which are examined in greater depth below. Importantly, the bill also establishes civil penalties and provides enforcement authority to the Comptroller for the purpose of compelling taxing units to comply (HB 103 Bill Analysis, 2025a).

Section 403.701: Definitions
For the purposes of this subchapter, this section defines the following terms: tax year, taxing unit, and voter-approval tax rate.

Section 403.702: Tax and Bond Database
As provided above, the Comptroller will consult with the BRB to establish a central database of current and historical tax and bond information for each taxing unit. According to the HB 103 Bill Analysis (2025a, pp. 2-3), the information required to be displayed includes:

- "Bond information, including ballot proposition language, projected interest and sinking (I&S) or debt service tax rates and increases in those rates, bond approval election results, projects to be funded by the bond, and an accounting of the use of bond proceeds;

- Tax rate election information, including ballot proposition language, the adopted tax rate in the current and preceding year, the voter-approval tax rate (VATR), difference between adopted tax rate and VATR, VATR election results, and the tax rate if the VATR election proposition failed;

- Maintenance tax information, including the school district's proposed or approved tax rate and ballot proposition language;

- A report generation function that would allow the comptroller to generate a report for each taxing unit, disaggregated by geographic area; and

- A function allowing for the proposal of updates and corrections to the information in the database."

The database should also be able to generate disaggregated reports for select geographic areas and allow for updates or corrections. Taxing units are directed to provide this information to the Comptroller by August 7, 2025, or as soon as practicable. The required data extends from tax years 2015 through 2025.

Section 403.703: Database Operation & Maintenance
This section authorizes the Comptroller to consult with taxing units for the purpose of gathering required information, and it permits the office to enter into contractual arrangements with third parties to provide for the maintenance of the database. The section also directs the Comptroller to coordinate with the Department of Information Resources to include a database link on the website *www.Texas.gov/propertytaxes*. The Comptroller is expressly prohibited from charging a fee for access.

Section 403.704: Noncompliance

This section allows the Comptroller to provide written notice to any taxing unit that fails to provide the required information. This written notice is to warn of potential penalties if the taxing unit does not comply, in the amount of $1,000 liable to the state.

Section 403.705: Rulemaking

This section provides that the Comptroller is responsible for establishing rules that ensure proper implementation. The Comptroller is also directed to collaborate with the BRB and the Texas Education Agency (TEA) to establish any rules needed to create a single data source entry method to provide the required information.

HOUSE BILL 3526 OVERVIEW

The purpose of HB 3526 is "to ensure that taxpayers have easy access to relevant financial information, promoting accountability and informed decision-making" (HB 3526 Bill Analysis, 2025b, p. 1). To progress toward those goals, HB 3526 instructs the BRB to develop and maintain a publicly accessible database "that provides information on each bond proposed or issued by a local government in a table format that is easy to read and understand" (HB 3526 Bill Analysis, 2025a, p. 1). In addition, the bill also creates new reporting requirements for local governmental entities to disclose election results, approved-but-unissued debt amounts, voter-approved bonds, and repayment details.

Section 1231.024: Bond Database

HB 3526 (2025a, pp. 1-2) directs the BRB to create a searchable database that provides users with the following information for each proposed and issued bond in a table format:

- The bond's principal amount;
- The bond's estimated interest cost;
- The bond's combined principal and interest cost; and
- The estimated minimum amount that will be expended annually to properly service the debt.

Section 1231.025: Local Bond Election Information

Under this section, local governmental entities must submit a report to the BRB that provides the following information, not later than the 20th day before the election:

- The election date;
- The proposition number for each bond proposal;
- The proposed bond's combined principal and interest cost;
- The estimated minimum amount that will be expended annually to properly service the debt;
- A short description of each proposition's purpose; and
- Any other relevant detail.

Once an election is concluded, the local governmental entity shall submit additional information to the BRB not later than the 20th day after an election, which is to include:

- The total number of votes cast during the election;
- The total number of votes cast for and against a proposition;
- Any updated information to the prior report; and
- Any other relevant detail.

Section 1231.026: Annual Local Unissued Securities Report

By September 30th of each year, every local governmental entity with approved-but-unissued bonds is required to submit a report to the BRB that provides the following information:

- The total amount of voter-approved-but-unissued bonds;
- The statute or law permitting the taxing unit to issue bonds;
- The number of propositions that authorized the bond issuance;
- The estimated cost of the issuance of the bonds on the originating proposition;
- The estimated minimum amount that will be expended annually to properly service the debt, once the bonds have been issued; and
- Any other relevant information.

Section 1231.065: Biennial Report on Repayment of Bonds Issued by Local Governments

On a biennial basis, the BRB shall submit a report to each standing committee of the Legislature with jurisdiction over finance-related matters that provides the following information on the repayment of bonds issued by local governments:

- For each voter-approved bond issued by a local government, the estimated principal and interest amount remaining on a bond; the total principal and interest amount already paid; and the minimum dollar amount required to be expended in order to properly service the debt.

- For any local governmental entity that increases the tax rate to pay the principal and interest amount owed, the amount of the increase.

This report shall be provided to the Legislature not later than December 31 of each even-numbered year.

SENATE BILL 843 OVERVIEW

The purpose of SB 843 is to "centralize critical financial data, making it more accessible to the public and allowing for greater transparency and accountability in school district financial management" (SB 843 Bill Analysis, 2025, p. 1). In order to progress in this direction, SB 843 requires the TEA to create an online database exploring school bonds, taxes, and projects. The database must be easy to search and kept up to date. The goal is to help the public see where school bond money goes and how it affects their taxes (SB 843 Bill Analysis, 2025).

Section 45.114: Bond, Tax, and Project Database

This section defines the following terms: bond, charter district, database, and maintenance tax.

Furthermore, the TEA is directed to develop and maintain a database for independent school district (ISD) and charter school planned, proposed, and issued bonds, as well as tax-related details. For each ISD bond, the TEA should report the following information:

- The ballot proposition language;
- The projected I&S tax rate;
- The bond election result;
- The projects expected to be completed using bond proceeds;
- An account of how bond proceeds were actually spent;
- Any other pertinent details related to capital projects funded through bond proceeds; and
- Any increase in the I&S tax rate resulting from the bond's issuance.

For each open-enrollment charter school bond, the TEA's database should provide the following information:

- A list of the projects that will be funded by bond proceeds; and
- An account of how bond proceeds were actually spent.

For school district maintenance taxes that have been levied or proposed, the TEA should disclose the following information:

- Each school's tax rate; and
- The ballot proposition language.

Also, the TEA's database should also contain the following for any tax rate elections:

- The election result; and
- The proposed tax rate.

Finally, the database should provide a tool to generate a disaggregated report by school or geographic area and a function to suggest changes or updates to the data.

INTENDED OUTCOMES

While the trio of transparency measures discussed above have yet to take effect, the policies generally aim to improve the status quo in three ways once fully implemented. Those improvements include increasing government transparency, enhancing oversight and accountability, and fostering data-driven decision-making.

- **Increasing Government Transparency.** Each of these measures proposes the creation and maintenance of a centralized database to better track tax and debt proposals for Texas local governments. By making this information readily accessible to the public at no cost, these new laws will promote transparency in local public finance. In so doing, citizens will have a deeper knowledge of the policies and programs considered at the local level, which will ultimately promote public trust.

- **Enhancing Oversight and Accountability.** The provision of detailed financial information on taxes and bonds will help inform the public about the ongoings of government and enable stakeholders to hold officials accountable, where necessary. The requirement for accurate reporting and the involvement of the state will pressure taxing entities to ensure the disclosures are timely and complete. Once these databases are fully operational, the public's oversight of tax dollars will be improved as will its ability to prevent mismanagement and abuse.

- **Fostering Data-Driven Decision-Making**: The three new databases will facilitate data-driven decision-making by providing comprehensive and organized financial information on critical activities. Stakeholders (including policymakers, researchers, and the public) can utilize this information to analyze trends, compare financial practices across entities, and evaluate the implications of proposed taxes and bonds. By enabling such analyses, these measures support informed policymaking and better public discourse. ■

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