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**Senator Bettencourt Files Legislation To Protect the Vote of Taxpayers on Pension Bonds**  
*SB 957 requires voter approval before a taxing entity can issue pension obligation bonds*

**Austin** - Senator Paul Bettencourt (R-Houston) filed SB 957 to require voter approval before a municipality can issue obligation bonds for a pension fund. Originally authorized by the Texas Legislature in 2003, pension obligation bonds (POBs) were created to be one pathway that municipalities could use to help issue debt to repay unsecured pension liabilities; however, voter approval was omitted as one of the requirements. Senator Joan Huffman (R-Houston) is a Joint-Author on the legislation and also is Chair of the Senate State Affairs Committee.

**“This is not rocket science,”** said Senator Bettencourt. **“Taxpayer money is used to secure these bonds and that means the taxpayer should get a vote on them before they can be issued. After all it is their money that is used to pay these back! It was an overwhelming success!”**

Recent pension reforms in the City of Houston included the issuance of roughly \$1 billion in pension obligations bonds. While Houston Mayor Turner (D-Houston) initially opposed allowing a vote of the public on these bonds, ultimately a vote was held and the public opted to pass the bonds with 77% of the vote. Houston voters were given the opportunity to vote on these bonds at the suggestion of Senator Bettencourt, making them the first pension obligation bonds in the State to receive a vote of the public.

Last session, legislation authored by Senator Bettencourt that would have required all pension obligation bonds statewide to be voted on, Senate Bill 151, passed the Texas Senate by a 21-10 margin but did not make it to Governor Abbott for his signature. SB 957 addresses the concern regarding the total amount of bond debt that has been issued by various municipalities without voter approval.

**“A vote of the public is an important check on the system that unfortunately was left out of previous reforms,”** concluded Senator Bettencourt. **“I look forward to working with Chair Huffman to implement this protection for all Texas taxpayers. The vote of the public is an important validation that was left out of the original bill in 2003.”**

Senator Bettencourt plans to file additional legislation on a variety of issues in the coming days.

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