

- SUBJECT:** Requiring a biennial report on state lending and credit support programs
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 10 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Sanford, Shine
- 0 nays
- 1 absent — Martinez Fischer
- WITNESSES:** For — None
- Against — (*Registered, but did not testify*: Susana Carranza; Idona Griffith; Linda Guy; Gregg Vunderink)
- On — (*Registered, but did not testify*: Will Counihan, Comptroller of Public Accounts)
- BACKGROUND:** Some have suggested that Texas could increase transparency on state lending and credit support programs so that taxpayers, legislators, and bond buyers understood the risks and rewards of such programs.
- DIGEST:** CSHB 3614 would require the Texas Bond Review Board to submit to the Legislature and post on its website a report on all lending programs and credit support programs in the state by December 31 of each even-numbered year.
- "Credit support program" would mean a program under which the state guaranteed or provided credit enhancements for the debt of any public or private entity, including providing support for principal or interest payments, in a manner that obligated the state to pay any part of the debt if the entity defaulted.
- "Lending program" would mean a program through which state money was loaned, or otherwise provided with the expectation of repayment, to a

public or private entity.

The report would have to include the total amount of state money lent through lending programs and the total amount of debt supported by credit support programs. The report also would include, for each program, the amount of state money lent or debt supported, a citation to the law authorizing the program, and a reasonable estimate of the costs of default computed in accordance with private-sector accounting standards for credit or other losses.

A state agency or political subdivision would have to provide to the board in the manner provided by board rule any information necessary to prepare the report.

The bill would take effect September 1, 2021.