

State of Texas
Texas Senate



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Senate Bill SB 151

Authorized in 2003, pension obligation bonds were created to allow Texas municipalities who were facing sizable shortfalls in their sponsored pension plan systems to issue obligations to pay unfunded liabilities to public pension funds.

However, voter approval for the issuance of these bonds was not included in the original bill. SB 151 rectifies this by adding the requirement of voter approval prior to the issuance of these bonds. Supporters have stated that the total amount of bond debt that has been issued by various municipalities without voter approval is a growing concern and most citizens are unaware of how much debt is owed by various municipalities. By adding voter approval, SB 151 will help alleviate the problem of silent debt that eventually could be required to be repaid by general revenue of a municipality.