

By: Barry

H.B. No. 193

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a taxing unit to use or transfer for the repayment of debt an increase in maintenance and operations ad valorem tax revenue attributable to a tax the rate of which is approved at an election.

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

SECTION 1. Section 26.07, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) Notwithstanding any other law, an increase in a taxing unit's maintenance and operations tax revenue derived from an election under this chapter may not be used or transferred to repay debt in installment payments or otherwise. This subsection does not prohibit a school district from using money disbursed from the tax increment fund for a reinvestment zone under Chapter 311 in accordance with the agreement entered into by the district with the governing body of the municipality or county that designated the zone under Section 311.013(f).

SECTION 2. Section 26.07(h), Tax Code, as added by this Act, applies only to ad valorem taxes imposed for an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2026.