

BILL ANALYSIS

Senate Research Center
89R26468 TJB-F

C.S.S.B. 3071
By: Bettencourt
Local Government
5/16/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 3071 amends current law relating to the authority of a property owner to obtain an injunction restraining the collection of ad valorem taxes by a taxing unit if the taxing unit adopts a tax rate that exceeds the voter-approval tax rate and subsequently takes an action that constitutes a material deviation from the stated purpose of the tax increase.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.012, Tax Code, by adding Subdivision (16-a) to define "materially deviate."

SECTION 2. Amends Section 26.05, Tax Code, by adding Subsection (e-2), as follows:

(e-2) Provides that a person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has materially deviated from the purpose stated in the ballot for an election required to be held under Section 26.07 (Automatic Election to Approve Tax Rate of Taxing Unit Other Than School Unit), in the order or resolution ordering the election, or in an order or resolution accompanying the ballot. Requires that an action to enjoin the collection of taxes be filed not later than the 15th day after the date the taxing unit adopts a tax rate. Provides that a property owner who owns taxable property in the taxing unit is not required to pay the taxes imposed by the taxing unit on the owner's property while an action to enjoin the collection of the taxes under this subsection is pending. Provides that, if a property owner pays the taxes and the property owner who filed the action subsequently prevails in the action, the property owner who paid the taxes is entitled to a refund of the taxes paid. Provides that a property owner is not required to apply to the collector for the taxing unit to receive the refund. Provides that a property owner who files an action under this subsection and subsequently prevails is entitled to reasonable attorney's fees and court costs.

SECTION 3. Makes application of Section 26.05(e-2), Tax Code, as added by this Act, prospective.

SECTION 4. Effective date: upon passage or September 1, 2025.