

By: Troxclair

H.B. No. 3879

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on the levy and use of certain ad valorem taxes and the issuance of certain bonds supported by ad valorem taxes.

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

SECTION 1. Section 26.012, Tax Code, is amended by adding Subdivision (16-a) to read as follows:

(16-a) "Materially Deviate" means to make a significant change in carrying out the purpose stated to voters on a ballot proposition, stated in any order or resolution calling for an election required under this chapter, or resolutions adopted to accompany or supplement a ballot proposition, including:

(A) a significant change in purpose;

(B) a significant change in the financing structure for the purpose;

(C) an increase of more than 33 percent in actual or projected costs of the purpose;

(D) a significant reduction in scope or scale of the purpose;

(E) a legal determination, including a finding under Government Code 1202 or 1205, that the purpose stated on the ballot proposition or any order or resolution calling for an election required under this chapter was not in conformity with law; or

1                    (F) any other attempt to substantially impair the  
2 rights and expectations of the voters as they existed at the time of  
3 the election.

4            SECTION 2. Section 26.05, Tax Code, is amended by adding  
5 Subsection (e-2) to read as follows:

6            (e-2) A person who owns taxable property is entitled to an  
7 injunction restraining the collection of taxes by a taxing unit in  
8 which the property is taxable if the taxing unit materially  
9 deviates from the purpose stated at the time the voters approved a  
10 tax rate under this chapter. A property owner is not required to  
11 pay the taxes imposed by a taxing unit on the owner's property while  
12 an action filed by a property owner under this subsection is  
13 pending. If the property owner pays the taxes and subsequently  
14 prevails in the action, the property owner is entitled to a refund  
15 of the taxes paid, together with reasonable attorney's fees and  
16 court costs. The property owner is not required to apply to the  
17 collector for the taxing unit to receive the refund.

18            SECTION 3. Section 26.07, Tax Code, is amended by adding  
19 Subsection (h) to read as follows:

20            (h) Notwithstanding any other law, an increase in a taxing  
21 unit's maintenance and operations tax revenue derived from an  
22 election under this section may not be used or transferred to a  
23 local government corporation to repay a public security in  
24 installment payments or otherwise.

25            SECTION 4. The heading to Chapter 1253, Government Code, is  
26 amended to read as follows:

27            CHAPTER 1253. PUBLIC SECURITIES [~~GENERAL OBLIGATION BONDS~~]

1 ISSUED BY LOCAL ENTITIES [~~POLITICAL SUBDIVISIONS~~]

2 SECTION 5. Chapter [1253](#), Government Code, is amended by  
3 adding Section 1253.004 to read as follows:

4 Sec. 1253.004. LIMITATION ON AUTHORITY TO USE AD VALOREM  
5 TAX REVENUE TO PAY PUBLIC SECURITIES. (a) In this section, "public  
6 security" has the meaning assigned by Section [1201.002](#).

7 (b) A municipality, county, or local government corporation  
8 may not dedicate, pledge, or otherwise use revenue subject to  
9 annual appropriation and derived wholly or partly from ad valorem  
10 taxes from an election under Chapter [26](#) of the Tax Code for payment  
11 of a public security, including revenue transferred to a local  
12 government corporation, to secure or make payments on a public  
13 security.

14 SECTION 6. Section 1253.004, Government Code, as added by  
15 this Act, applies only to a public security as defined by that  
16 section issued on or after the effective date of this Act.

17 SECTION 5. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section [39](#), Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2025.