

By: Bettencourt
Hinojosa of Nueces

S.B. No. 2519

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 26.07, 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 section may not be used or transferred to a
local government corporation to repay a public security in
installment payments or otherwise.

SECTION 2. The heading to Chapter 1253, Government Code, is
amended to read as follows:

CHAPTER 1253. PUBLIC SECURITIES [~~GENERAL OBLIGATION BONDS~~]
BY LOCAL ENTITIES [~~POLITICAL SUBDIVISIONS~~]

SECTION 3. Chapter 1253, Government Code, is amended by
adding Section 1253.004 to read as follows:

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

(b) A municipality, county, or local government corporation
may not dedicate, pledge, or otherwise use revenue subject to
annual appropriation and derived wholly or partly from ad valorem
taxes from an election under Chapter 26, Tax Code, for payment of a

1 public security, including revenue transferred to a local
2 government corporation, to secure or make payments on a public
3 security.

4 SECTION 4. Section 1253.004, Government Code, as added by
5 this Act, applies only to a public security as defined by that
6 section issued on or after the effective date of this Act.

7 SECTION 5. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2025.