

1-1 By: Bettencourt S.B. No. 2519
 1-2 (In the Senate - Filed March 13, 2025; April 3, 2025, read
 1-3 first time and referred to Committee on Local Government;
 1-4 May 7, 2025, reported favorably by the following vote: Yeas 4,
 1-5 Nays 2; May 7, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Middleton	X			
1-9 Cook		X		
1-10 Gutierrez		X		
1-11 Nichols	X			
1-12 Paxton	X			
1-13 West			X	
1-14				

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to restrictions on the levy and use of certain ad valorem
 1-18 taxes and on the issuance of certain bonds supported by ad valorem
 1-19 taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 26.012, Tax Code, is amended by adding
 1-22 Subdivision (16-a) to read as follows:

1-23 (16-a) "Materially deviate" means to make a
 1-24 significant change in carrying out the purpose stated to voters on a
 1-25 ballot proposition, stated in any order or resolution calling for
 1-26 an election required under this chapter, or stated in resolutions
 1-27 adopted to accompany or supplement a ballot proposition, including:

1-28 (A) a significant change in purpose;

1-29 (B) a significant change in the financing
 1-30 structure for the purpose;

1-31 (C) an increase of more than 33 percent in actual
 1-32 or projected costs of the purpose;

1-33 (D) a significant reduction in scope or scale of
 1-34 the purpose;

1-35 (E) a legal determination, including a finding
 1-36 under Chapter 1202 or 1205, Government Code, that the purpose
 1-37 stated on the ballot proposition or any order or resolution calling
 1-38 for an election required under this chapter was not in conformity
 1-39 with law; or

1-40 (F) any other attempt to substantially impair the
 1-41 rights and expectations of the voters as they existed at the time of
 1-42 the election.

1-43 SECTION 2. Section 26.05, Tax Code, is amended by adding
 1-44 Subsection (e-2) to read as follows:

1-45 (e-2) A person who owns taxable property is entitled to an
 1-46 injunction restraining the collection of taxes by a taxing unit in
 1-47 which the property is taxable if the taxing unit materially
 1-48 deviates from the purpose stated at the time the voters approved a
 1-49 tax rate under this chapter. An action to enjoin the collection of
 1-50 taxes must be filed not later than the 15th day after the date the
 1-51 taxing unit adopts a tax rate. A property owner is not required to
 1-52 pay the taxes imposed by a taxing unit on the owner's property while
 1-53 an action filed by a property owner under this subsection is
 1-54 pending. If the property owner pays the taxes and subsequently
 1-55 prevails in the action, the property owner is entitled to a refund
 1-56 of the taxes paid, together with reasonable attorney's fees and
 1-57 court costs. The property owner is not required to apply to the
 1-58 collector for the taxing unit to receive the refund.

1-59 SECTION 3. Section 26.07, Tax Code, is amended by adding
 1-60 Subsection (h) to read as follows:

1-61 (h) Notwithstanding any other law, an increase in a taxing

2-1 unit's maintenance and operations tax revenue derived from an
2-2 election under this section may not be used or transferred to a
2-3 local government corporation to repay a public security in
2-4 installment payments or otherwise.

2-5 SECTION 4. The heading to Chapter 1253, Government Code, is
2-6 amended to read as follows:

2-7 CHAPTER 1253. PUBLIC SECURITIES [~~GENERAL OBLIGATION BONDS~~] ISSUED
2-8 BY LOCAL ENTITIES [~~POLITICAL SUBDIVISIONS~~]

2-9 SECTION 5. Chapter 1253, Government Code, is amended by
2-10 adding Section 1253.004 to read as follows:

2-11 Sec. 1253.004. LIMITATION ON AUTHORITY TO USE AD VALOREM
2-12 TAX REVENUE TO PAY PUBLIC SECURITIES. (a) In this section,
2-13 "public security" has the meaning assigned by Section 1201.002.

2-14 (b) A municipality, county, or local government corporation
2-15 may not dedicate, pledge, or otherwise use revenue subject to
2-16 annual appropriation and derived wholly or partly from ad valorem
2-17 taxes from an election under Chapter 26, Tax Code, for payment of a
2-18 public security, including revenue transferred to a local
2-19 government corporation, to secure or make payments on a public
2-20 security.

2-21 SECTION 6. Section 26.05(e-2), Tax Code, as added by this
2-22 Act, applies only to an ad valorem tax rate adopted on or after the
2-23 effective date of this Act.

2-24 SECTION 7. Section 1253.004, Government Code, as added by
2-25 this Act, applies only to a public security as defined by that
2-26 section issued on or after the effective date of this Act.

2-27 SECTION 8. This Act takes effect immediately if it receives
2-28 a vote of two-thirds of all the members elected to each house, as
2-29 provided by Section 39, Article III, Texas Constitution. If this
2-30 Act does not receive the vote necessary for immediate effect, this
2-31 Act takes effect September 1, 2025.

2-32 * * * * *