

By: Bettencourt

S.B. No. 3071

A BILL TO BE ENTITLED

AN ACT

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.

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 stated in 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 Chapter 1202 or 1205, Government Code, that the purpose

1 stated on the ballot proposition or any order or resolution calling
2 for an election required under this chapter was not in conformity
3 with law; or

4 (F) any other attempt to substantially impair the
5 rights and expectations of the voters as they existed at the time of
6 the election.

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

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

23 SECTION 3. Section 26.05(e-2), Tax Code, as added by this
24 Act, applies only to an ad valorem tax rate adopted on or after the
25 effective date of this Act.

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2025.