

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 8, 2025

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3879 by Troxclair (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.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would define “materially deviate” and to entitle a property owner to an injunction against the collection of property tax if the taxing unit materially deviates from the purpose stated at the time the voters approved a tax rate. The property owner would not be required to pay the taxes imposed by the taxing unit while the action is pending. If the property owner paid the taxes and prevailed in the action, the property owner would be entitled to a refund of the amount paid, along with reasonable attorney's fees and court costs.

Local Government Impact

To the extent a taxing unit is found to have materially deviated from the purpose stated at the time voters approved a tax rate, property tax revenue available to the unit of local government could decrease.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI