

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 20, 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 restrictions on the levy and use of certain ad valorem taxes and the issuance of certain bonds supported by ad valorem taxes.), **As Introduced**

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.

The bill would prohibit a taxing unit, other than a school district, from using or transferring maintenance and operations tax revenue derived from an election under the section to a local government corporation to repay a public security.

The bill would prohibit a municipality, county, or local government corporation from using revenue derived wholly or partly from ad valorem taxes approved by the voters in an election to adopt a tax rate above the voter-approval tax rate to secure or make payments on a public security. This provision applies only to a public security issued on or after the effective date.

Local Government Impact

To the extent a taxing 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