

By: Bettencourt

S.B. No. 3067

A BILL TO BE ENTITLED

1 AN ACT

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

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

5 SECTION 1. Section 26.07, Tax Code, is amended by adding
6 Subsection (h) to read as follows:

7 (h) Notwithstanding any other law, an increase in a taxing
8 unit's maintenance and operations tax revenue derived from an
9 election under this section may not be used or transferred to a
10 local government corporation to repay a public security in
11 installment payments or otherwise.

12 SECTION 2. Chapter 1253, Government Code, is amended by
13 adding Section 1253.004 to read as follows:

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

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

24 SECTION 3. Section 1253.004, Government Code, as added by

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1 this Act, applies only to a public security as defined by that
2 section issued on or after the effective date of this Act.

3 SECTION 4. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2025.