

**Donna Campbell, M.D.**Texas State Senator  
District 25

September 12, 2025

The Honorable Ken Paxton, Office of the Attorney General  
Attn: Opinion Committee  
PO Box 12548  
Austin, TX 78711-2548

**Sent Via Email:** [opinion.committee@oag.texas.gov](mailto:opinion.committee@oag.texas.gov)**Re: Opinion Request on the Disaster-Related Tax Rate Exemption under Tax Code §26.042**

Dear General Paxton:

On behalf of local government officials and constituents seeking clarity, I respectfully request an expedited formal opinion from your office regarding the scope and permissible application of the disaster-related voter-approval rate exemption under Texas Tax Code §26.042.

Recent actions by certain Counties have raised questions of statutory interpretation that may have broader implications for other taxing units across the state. For example, a particular County has indicated its intent to exceed the voter-approval rate by invoking the disaster exemption and to raise approximately \$42 million in additional revenue. Public statements by County officials suggest that while a portion of those funds will be allocated to disaster-related expenditures, the majority will be deposited into reserve accounts for potential future emergencies.

Given the importance of ensuring compliance with statutory limits while safeguarding local flexibility in responding to disasters, we seek clarification on the following questions:

1. **Scope of Authority:** Under Tax Code §26.042, may a taxing unit lawfully invoke the disaster exemption primarily to accumulate reserves for future, hypothetical disasters, rather than to address expenditures reasonably attributable to the specific declared disaster?
2. **Use of Proceeds:** Does depositing the majority of proceeds into reserve funds, without appropriating them to disaster-related costs, comport with the statutory text and legislative intent of §26.042?
3. **Effect of Public Statements:** If county officials explicitly state that the proceeds will not be used primarily for the current disaster response, but rather to prepare for future events, does this impact the legality of invoking the exemption to avoid an election?

4. **Documentation or Findings:** What level of documentation, appropriation, or findings, if any, must a taxing unit produce to demonstrate that the additional revenue is necessary to address costs arising from the declared disaster?

We understand that Tax Code §26.042 was designed to provide taxing units with flexibility to respond swiftly to the immediate financial demands of a declared disaster. However, the statute's use as a mechanism to bypass voter approval in order to generate unrestricted reserves raises significant concerns regarding compliance with legislative intent and taxpayer protections.

Because Counties are scheduled to adopt its budget and tax rate during the month of September 2025, an expedited guidance your office would be of great value to local governments and taxpayers alike.

If you have any questions about this request, please email my Chief of Staff, Shane Birdwell, at [shane.birdwell@senate.texas.gov](mailto:shane.birdwell@senate.texas.gov) or call my Capitol office at (512) 463-0125.

Sincerely,

A handwritten signature in black ink that reads "Donna Campbell". The signature is written in a cursive, flowing style.

Senator Donna Campbell  
Senate District 25  
Senate Committee on Nominations, Chair