

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **TAX - TEXAS**

### **Jones v. Turner**

**Supreme Court of Texas - June 3, 2022 - S.W.3d - 2022 WL 1815031 - 65 Tex. Sup. Ct. J. 1324**

City residents filed suit against city officials seeking a declaration that they must fund city drainage fund according to formula stated in city charter.

The 281st District Court denied the plea to the jurisdiction. City officials filed interlocutory appeal. The Houston Court of Appeals reversed and rendered judgment dismissing the case for want of jurisdiction due to residents' lack of standing. Residents' petition for review was granted.

The Supreme Court held that:

- Residents' allegations were sufficient to confer taxpayer standing, and
- Fact questions precluded grant of officials' plea to the jurisdiction.

City residents' allegations that officials were misallocating a considerable amount of tax revenue by spending it on other city services and not spending it exclusively for drainage and street maintenance in violation of city charter's express mandate were sufficient to confer taxpayer standing to assert their ultra vires claim against officials, even though residents did not specifically allege illegal expenditure of public funds; although city services to which funds were allocated were themselves lawful, the law required certain amount of money be directed to specific services, so that the allegedly unlawful act was officials' actions in budgeting and spending money that should have been allocated to those specific services.

Fact questions as to whether city officials calculated the allocation of ad valorem tax proceeds for drainage and street renewal fund in manner that conformed to city charter requirements and as to how they actually allocated the tax proceeds in fiscal year at issue precluded grant of officials' plea to the jurisdiction, on governmental immunity grounds, for city residents' claim that officials acted ultra vires in directing tax proceeds to other city services instead of allocating them to the drainage and street renewal fund.