

Bond Case Briefs

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BONDS - TEXAS

Paxton v. City of Austin

Supreme Court of Texas - May 22, 2026 - S.W.3d - 2026 WL 1445577 - 69 Tex. Sup. Ct. J. 810

Taxpayers brought action against city and local government corporation, challenging the execution of mass transit project and its alleged changes since voters approved ballot proposition to fund the project.

In response to taxpayers' action, city and corporation filed petition under the Expedited Declaratory Judgment Act (EDJA), seeking declaration of authority to collect and dedicate tax to support the project and to issue bonds, which was consolidated with taxpayers' action.

Attorney General intervened and filed plea to the jurisdiction arguing that neither city nor corporation qualified as an "issuer" of bonds under EDJA. The 53rd District Court declined to rule on Attorney General's plea and notified parties that court intended to proceed to trial. Attorney General filed notice of interlocutory appeal, and city and corporation moved to dismiss the appeal. The Court of Appeals dismissed appeal for lack of appellate jurisdiction. Attorney General petitioned for review.

The Supreme Court held that:

- Trial court abused its otherwise broad discretion to manage progress of case when court called case to trial without first resolving Attorney General's plea to the jurisdiction;
- Trial court's calling of case to trial on merits was not an "order" denying Attorney General's plea to the jurisdiction, as could be subject of interlocutory appeal; and
- Mandamus was appropriate remedy for trial court's improper refusal to rule on Attorney General's plea to jurisdiction.

Trial court abused its otherwise broad discretion to manage progress of case when court called case to trial without first resolving Attorney General's plea to the jurisdiction, in case in which city and local government corporation sought declaration under Expedited Declaratory Judgment Act (EDJA) that corporation could issue bonds to fund transit project, while Attorney General answered and filed plea to jurisdiction arguing that neither city nor corporation qualified as an "issuer" of bonds under EDJA, leading corporation to urge trial court to avoid ruling on plea to jurisdiction so as not to trigger interlocutory appeal and delay the expedited proceedings; any concerns about delay did not allow court to pocket-veto jurisdictional arguments, and courts were not empowered to deny government its statutory appellate rights.

Trial court's calling of case to trial on merits was not an "order" denying Attorney General's plea to the jurisdiction, as could be subject of interlocutory appeal, in case in which city and local government corporation sought declaration under Expedited Declaratory Judgment Act (EDJA) that corporation could issue bonds to fund transit project, while Attorney General answered and filed plea to jurisdiction arguing that neither city nor corporation qualified as an "issuer" of bonds under EDJA, leading trial court to avoid ruling on plea to jurisdiction, and instead call case to trial, so as not to trigger possibility of interlocutory appeal and delay the expedited proceedings, where court

explicitly refused to rule at all on the plea to the jurisdiction.

Mandamus was appropriate remedy for trial court's improper refusal to rule on Attorney General's plea to jurisdiction before calling case for trial on merits, in case in which city and local government corporation sought declaration under Expedited Declaratory Judgment Act (EDJA) that corporation could issue bonds to fund transit project, while Attorney General answered and filed plea to jurisdiction arguing that neither city nor corporation qualified as an "issuer" of bonds under EDJA, leading trial court to avoid ruling on plea to jurisdiction, and instead call case to trial, so as not to trigger possibility of interlocutory appeal and delay the expedited proceedings; no adequate remedy by appeal existed when a court's refusal to rule deprived a governmental unit of its statutory right to interlocutory review of jurisdictional determinations.

Supreme Court would construe Attorney General's petition for review as one for mandamus, in Attorney General's challenge to trial court's refusal to rule on plea to jurisdiction in case in which city and local government corporation sought declaration under Expedited Declaratory Judgment Act (EDJA) that corporation could issue bonds to fund transit project, while Attorney General answered and filed plea to jurisdiction arguing that neither city nor corporation qualified as an "issuer" of bonds under EDJA, leading trial court to avoid ruling on plea to jurisdiction so as not to trigger possibility of interlocutory appeal and associated delay, even though Attorney General did not request mandamus relief until its motion for rehearing in Court of Appeals; because substance of any mandamus petition would be the same as interlocutory appeal, city and corporation suffered no prejudice from timing of request for mandamus relief.