



## Case Summaries June 12, 2026

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### DECIDED CASES

*State v. JRJ Pusok Holdings, LLC*, \_\_\_ S.W.3d \_\_\_, 2026 WL \_\_\_ (Tex. June 12, 2026) [24-0447]

The central issue in this case is whether sovereign immunity is waived when a landowner sues to repurchase condemned property the State deems no longer necessary for public use.

The State offered to purchase the Pusoks' property for a highway project and informed them of their statutory and constitutional rights in condemnation proceedings as required by law. When the Pusoks did not accept the offer, the State filed a petition for condemnation. The parties settled as to the value of the property, and the Pusoks transferred the property to the State. Two years later, the Pusoks sought to exercise their statutory right to repurchase a portion of the property after the State deemed that portion no longer necessary for public use. When the State refused, the Pusoks sued to enforce their repurchase right found in Property Code Chapter 21. The trial court granted the State's plea to the jurisdiction based on sovereign immunity and dismissed the case. The court of appeals reversed, holding that Chapter 21 provides a waiver of immunity.

The Supreme Court affirmed. The Legislature placed the right of repurchase in a chapter governing eminent domain, and the State is not immune in such cases. Such a reading effectuates recent amendments to the Texas Constitution that restrict the State's takings power and acknowledge a landowner's right to repurchase property at the price the State paid for it. The Court further held that property is acquired "through eminent domain" when the State exercises its takings power to obtain the land even though the parties reach agreement as to the value of the land taken. Chapter 21 permits the repurchase of a portion of the property originally taken when only that portion is no longer necessary for public use; and district courts and county courts at law have concurrent jurisdiction to hear repurchase claims. Justice Young concurred, noting his view that assessing whether a statute waives sovereign immunity should be simpler than the Court's precedents suggest. Justice Hawkins dissented and would have held that Chapter 21 does not waive sovereign immunity

for repurchase claims. He would have further held that any immunity waiver is not properly invoked here because the property at issue was not acquired through eminent domain, and the Pusoks brought this suit in a court outside the scope of the putative waiver.

***Ruth v. Comm’n for Law. Discipline***, \_\_\_ S.W.3d \_\_\_, 2026 WL \_\_\_ (Tex. June 12, 2026) [24-0613]

At issue in this case is whether a pro se attorney is subject to Rule 4.02(a) of the Texas Disciplinary Rules of Professional Conduct—the “no contact” disciplinary rule barring an attorney, “in representing a client,” from communicating directly with parties who are represented by counsel about the subject of the representation absent that counsel’s consent.

Attorney William Ruth represented himself in an attorney disciplinary proceeding. During that proceeding, Ruth directly communicated with opposing parties represented by counsel—individual members of the Commission for Lawyer Discipline—by adding them to the service list for his electronic filings and by writing a letter to the Commission chair. The Commission’s counsel informed Ruth of her belief that these communications were improper and asked him to stop contacting individual commissioners.

The communications did not cease, and the Commission initiated a second disciplinary proceeding against Ruth premised on those communications. The trial court found that Ruth violated the no-contact rule and rendered judgment actively suspending him from the practice of law for five years. The court of appeals affirmed.

In an opinion by Justice Lehrmann, the Supreme Court reversed and dismissed the proceeding, agreeing with a prior opinion from the Texas Committee on Professional Ethics and holding that the no-contact rule does not apply to a pro se lawyer given the rule’s prefatory “in representing a client” language. The Court noted that the comments to the rule point in different directions—with one comment explaining that the rule’s purpose is to safeguard the lawyer–client relationship between other persons and their respective counsel, and another confirming that the communication bar does not extend to communications between clients and other represented parties. The Court saw no legitimate basis to apply the rule to a pro se lawyer given that it clearly does not apply to a lawyer represented by third-party counsel. Finally, the Court concluded that the rule of lenity required a greater degree of clarity in the no-contact rule to subject a pro se lawyer to discipline for violating it.

Justice Huddle filed an opinion concurring in the judgment. She would have held that the no-contact rule applies to pro se lawyers but agreed that the judgment against Ruth should be reversed because he could have justifiably relied on the ethics opinion.

***River Creek Dev. Corp. v. Preston Hollow Cap., LLC***, \_\_\_ S.W.3d \_\_\_, 2026 WL \_\_\_ (Tex. June 12, 2026) [24-1070]

This case addresses whether certain public financing transactions are void because a local government corporation failed to submit the agreements for the Attorney General’s review or violated the Public Improvement District Assessment Act.

The City of Hutto created River Creek Development Corporation to finance improvements to a Public Improvement District around its city hall. As part of the multi-step financing transaction, River Creek borrowed \$17.4 million from an out-of-state conduit bond issuer under a loan agreement and promissory note, used the funds to purchase the improvements, and sold the improvements to the City under an installment sales contract. The Transportation Code says that a local government corporation “shall submit” such a note and its supporting contracts to the Attorney General for examination. River Creek did not do so, but the transaction went forward.

After spending most of the money, the City and River Creek sued Preston Hollow, the current bondholder, arguing that the transaction was void because River Creek did not submit the documents to the Attorney General. They also argued that the transaction violated the PID Act’s requirement that certain bonds be issued by an entity of the State of Texas. Preston Hollow brought counterclaims, seeking declarations that the documents were enforceable and did not have to be submitted to the Attorney General. The trial court granted summary judgment in favor of Preston Hollow, and the court of appeals affirmed.

The Supreme Court affirmed. In an opinion by Justice Busby, the Court concluded that although the Transportation Code required River Creek to submit the promissory note and its supporting contracts to the Attorney General, its failure to do so did not render the transaction void. Moreover, the installment-sale transaction complied with the PID Act, so its Texas-issuer requirement did not apply.

Justice Hawkins concurred in the judgment, observing that one necessary consequence of the failure to submit agreements to the Attorney General may be that they are presumptively unlawful and emphasizing that the Court’s interpretation of the PID act recognizes a loophole in the Texas-issuer requirement.