

By: Meyer

H.B. No. 2438

A BILL TO BE ENTITLED

AN ACT

relating to municipalities and counties that adopt budgets that defund law enforcement agencies.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.013 to read as follows:

Sec. 140.013. DEFUNDING LOCAL GOVERNMENT. (a) A defunding local government is a municipality or county:

(1) that adopts a budget for a fiscal year that, in comparison to the local government's preceding fiscal year, reduces:

(A) the appropriation to the local government's law enforcement agency;

(B) the number of peace officers the local government's law enforcement agency is authorized to employ;

(C) funding for peace officer overtime compensation for the local government's law enforcement agency; or

(D) funding for the recruitment and training of new peace officers to fill each vacant peace officer position in the local government's law enforcement agency; and

(2) for which the criminal justice division of the governor's office issues a written determination finding that the local government has taken an action described by Subdivision (1).

(a-1) In making a determination of whether a local

1 government is a defunding local government according to the budget  
2 adopted for the first fiscal year beginning on or after September 1,  
3 2021, the criminal justice division of the governor's office shall  
4 compare the funding and personnel in that budget to the funding and  
5 personnel in the budget of the preceding fiscal year or the second  
6 preceding fiscal year, whichever is greater. This subsection  
7 expires September 1, 2023.

8 (b) A local government is considered to be a defunding local  
9 government until the criminal justice division of the governor's  
10 office issues a written determination finding that the local  
11 government has reversed the reductions, adjusted for inflation,  
12 described in Subsection (a)(1).

13 (c) The criminal justice division of the governor's office  
14 shall:

15 (1) compute the inflation rate used to make  
16 determinations under Subsection (b) each state fiscal year using a  
17 price index that accurately reports changes in the purchasing power  
18 of the dollar for local governments in this state; and

19 (2) publish the inflation rate in the Texas Register.

20 SECTION 2. Chapter 26, Tax Code, is amended by adding  
21 Section 26.0501 to read as follows:

22 Sec. 26.0501. LIMITATION ON TAX RATE OF DEFUNDING TAXING  
23 UNIT. (a) For purposes of this section, a "defunding taxing unit"  
24 means a county or municipality that is a defunding local government  
25 under Section 140.013, Local Government Code.

26 (b) Notwithstanding any other provision of this chapter or  
27 other law, the governing body of a defunding taxing unit may not

1 adopt a tax rate for the current tax year that exceeds the lesser of  
2 the defunding taxing unit's no-new-revenue tax rate or  
3 voter-approval tax rate for that tax year.

4 (c) For purposes of making the calculation required under  
5 Section 26.013, in a tax year in which a county or municipality is a  
6 defunding taxing unit, the difference between the taxing unit's  
7 actual tax rate and voter-approval tax rate is considered to be  
8 zero.

9 (d) A county or municipality is no longer considered to be a  
10 defunding taxing unit for purposes of this section in the first tax  
11 year for which the criminal justice division of the governor's  
12 office issues a written determination in accordance with Section  
13 140.013(b), Local Government Code, finding that the county or  
14 municipality has reversed the reductions described by Section  
15 140.013(a)(1), Local Government Code.

16 SECTION 3. Section 140.013, Local Government Code, as added  
17 by this Act, applies only to the adoption of a budget by a  
18 municipality or county for a fiscal year that begins on or after the  
19 effective date of this Act.

20 SECTION 4. Section 26.0501, Tax Code, as added by this Act,  
21 applies beginning with the 2021 tax year.

22 SECTION 5. This Act takes effect September 1, 2021.