

By: Casteel

H.B. No. 58

A BILL TO BE ENTITLED

AN ACT

1
2 relating to providing for an increase in certain tax rates of a
3 taxing unit because of the imposition of an unfunded federal
4 mandate or approval of a local measure.

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

6 SECTION 1. Chapter 26, Tax Code, is amended by adding
7 Section 26.046 to read as follows:

8 Sec. 26.046. ROLLBACK RELIEF FOR UNFUNDED FEDERAL MANDATE
9 OR LOCAL MEASURE MANDATE. (a) In this section:

10 (1) "Federal mandate" means a statutory provision
11 enacted by the Congress of the United States or a decision, rule,
12 regulation, or order implementing a federal law that is prescribed
13 by a federal or state agency, officer, or court that:

14 (A) takes effect on or after January 1, 2005; and

15 (B) requires the expenditure by a taxing unit of
16 revenue that would not have been required in the absence of the
17 statute, decision, rule, regulation, or order.

18 (2) "Local measure mandate" means a measure approved
19 by the voters of a taxing unit in an election held on or after
20 January 1, 2005, that requires the taxing unit to establish,
21 expand, or change an activity in a manner that requires the
22 expenditure by the taxing unit of maintenance and operations tax
23 revenue that would not have been required in the absence of the
24 approval of the measure in the election.

1 (b) For purposes of this section, a federal mandate is
2 considered to be unfunded during any period for which the federal
3 government has not provided, by congressional appropriation or
4 otherwise, measures by which an affected taxing unit will receive
5 federal funds in amounts sufficient to meet the cost of complying
6 with or implementing the federal mandate.

7 (c) In the first year in which a taxing unit adopts a tax
8 rate after the year in which an unfunded federal mandate or a local
9 measure mandate first applies to the taxing unit, the effective tax
10 rate and the rollback tax rate for the taxing unit are increased by
11 the rate that, if applied to current total value, would impose an
12 amount of taxes equal to the amount the taxing unit is required to
13 spend to comply with or implement the mandate in that year.

14 (d) In each subsequent year that the taxing unit adopts a
15 tax rate, if the amount the taxing unit is required to spend to
16 comply with or implement the unfunded federal mandate or the local
17 measure mandate is greater than the amount required to be spent for
18 the mandate in the preceding year, the effective tax rate and the
19 rollback tax rate for the taxing unit are increased by the rate
20 that, if applied to current total value, would impose an amount of
21 taxes equal to the increase in the amount required to be spent for
22 the mandate in that year.

23 (e) A taxing unit shall include a notice of an increase in
24 the effective tax rate and the rollback tax rate made as provided by
25 this section, including a description of and the estimated amount
26 of the unfunded federal mandate or the local measure mandate, in the
27 information published under Sections 26.04(e) and 26.06(b).

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect on the 91st day after the last day of the
6 legislative session.