

By: Fraser

S.B. No. 1368

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the provision of state aid to certain local governments
3 disproportionately affected by the granting of ad valorem tax
4 relief to disabled veterans.

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

6 SECTION 1. Chapter 140, Local Government Code, is amended
7 by adding Section 140.011 to read as follows:

8 Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY
9 AFFECTED BY PROPERTY TAX RELIEF FOR DISABLED VETERANS. (a) In
10 this section:

11 (1) "General fund revenue" means revenue generated by
12 a local government from the following sources during a fiscal year
13 and deposited in the dedicated general operating fund of the local
14 government during that fiscal year:

- 15 (A) ad valorem taxes;
- 16 (B) sales and use taxes;
- 17 (C) franchise taxes, fees, or assessments
18 charged for use of the local government's right-of-way;
- 19 (D) building and development fees, including
20 permit and inspection fees;
- 21 (E) court fines and fees;
- 22 (F) other fees, assessments, and charges; and
- 23 (G) interest earned by the local government.

24 (2) "Local government" means:

1 (A) a municipality adjacent to a United States
2 military installation; and

3 (B) a county in which a United States military
4 installation is wholly or partly located.

5 (3) "Qualified local government" means a local
6 government entitled to a disabled veteran assistance payment under
7 this section.

8 (b) To serve the state purpose of ensuring that the cost of
9 providing ad valorem tax relief to disabled veterans is shared
10 equitably among the residents of this state, a local government is
11 entitled to a disabled veteran assistance payment from the state
12 for each fiscal year that the local government is a qualified local
13 government. A local government is a qualified local government for
14 a fiscal year if the amount of lost ad valorem tax revenue
15 calculated under Subsection (c) for that fiscal year is equal to or
16 greater than two percent of the local government's general fund
17 revenue for that fiscal year.

18 (c) For the purposes of this section, the amount of a local
19 government's lost ad valorem tax revenue for a fiscal year is
20 calculated by multiplying the ad valorem tax rate adopted by the
21 local government under Section 26.05, Tax Code, for the tax year in
22 which the fiscal year begins by the total appraised value of all
23 property located in the local government that is granted an
24 exemption from taxation under Section 11.131, Tax Code, for that
25 tax year.

26 (d) A disabled veteran assistance payment made to a
27 qualified local government for a fiscal year is calculated by

1 subtracting from the local government's lost ad valorem tax revenue
2 calculated under Subsection (c) for that fiscal year an amount
3 equal to one percent of the local government's general fund revenue
4 for that fiscal year.

5 (e) Not later than April 1 of the first year following the
6 end of a fiscal year for which a qualified local government is
7 entitled to a disabled veteran assistance payment, a qualified
8 local government may submit an application to the comptroller to
9 receive a disabled veteran assistance payment for that fiscal year.
10 The application must be made on a form prescribed by the
11 comptroller. The comptroller may require the qualified local
12 government to submit an independent audit otherwise required by law
13 to be prepared for the local government for the fiscal year for
14 which a qualified local government is entitled to the payment.

15 (f) A qualified local government that does not submit an
16 application to the comptroller by the date prescribed by Subsection
17 (e) is not entitled to a disabled veteran assistance payment for the
18 fiscal year for which that deadline applies.

19 (g) The comptroller shall review each application by a local
20 government to determine whether the local government is entitled to
21 a disabled veteran assistance payment. If the comptroller
22 determines that the local government is entitled to the payment,
23 the comptroller shall remit the payment from available funds to the
24 qualified local government not later than the 30th day after the
25 date the application for the payment is made.

26 SECTION 2. As soon as practicable, but not later than
27 December 1, 2015, the comptroller of public accounts shall develop

1 the disabled veteran assistance payment form required by Section
2 140.011(e), Local Government Code, as added by this Act.

3 SECTION 3. A local government that is a qualified local
4 government, as that term is defined by Section 140.011(a), Local
5 Government Code, as added by this Act, for a fiscal year that began
6 in the 2014 tax year is eligible to apply for a disabled veteran
7 assistance payment as prescribed by Section 140.011, Local
8 Government Code, for that fiscal year.

9 SECTION 4. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2015.