

1-1 By: Fraser S.B. No. 1368
 1-2 (In the Senate - Filed March 12, 2015; March 18, 2015, read
 1-3 first time and referred to Committee on Finance; April 14, 2015,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 13, Nays 0, 1 present not voting;
 1-6 April 14, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Nelson	X			
1-9 Hinojosa	X			
1-10 Bettencourt				X
1-11 Eltife			X	
1-12 Hancock	X			
1-13 Huffman	X			
1-14 Kolkhorst	X			
1-15 Nichols	X			
1-16 Schwertner	X			
1-17 Seliger	X			
1-18 Taylor of Galveston	X			
1-19 Uresti	X			
1-20 Watson	X			
1-21 West	X			
1-22 Whitmire	X			

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 1368 By: Bettencourt

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the provision of state aid to certain local governments
 1-28 disproportionately affected by the granting of ad valorem tax
 1-29 relief to disabled veterans.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Chapter 140, Local Government Code, is amended
 1-32 by adding Section 140.011 to read as follows:

1-33 Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY
 1-34 AFFECTED BY PROPERTY TAX RELIEF FOR DISABLED VETERANS. (a) In
 1-35 this section:

1-36 (1) "General fund revenue" means revenue generated by
 1-37 a local government from the following sources during a fiscal year
 1-38 and deposited in the dedicated general operating fund of the local
 1-39 government during that fiscal year:

- 1-40 (A) ad valorem taxes;
- 1-41 (B) sales and use taxes;
- 1-42 (C) franchise taxes, fees, or assessments
- 1-43 charged for use of the local government's right-of-way;
- 1-44 (D) building and development fees, including
- 1-45 permit and inspection fees;
- 1-46 (E) court fines and fees;
- 1-47 (F) other fees, assessments, and charges; and
- 1-48 (G) interest earned by the local government.

1-49 (2) "Local government" means:

- 1-50 (A) a municipality adjacent to a United States
- 1-51 military installation; and
- 1-52 (B) a county in which a United States military
- 1-53 installation is wholly or partly located.

1-54 (3) "Qualified local government" means a local
 1-55 government entitled to a disabled veteran assistance payment under
 1-56 this section.

1-57 (b) To serve the state purpose of ensuring that the cost of
 1-58 providing ad valorem tax relief to disabled veterans is shared
 1-59 equitably among the residents of this state, a local government is
 1-60 entitled to a disabled veteran assistance payment from the state

2-1 for each fiscal year that the local government is a qualified local
2-2 government. A local government is a qualified local government for
2-3 a fiscal year if the amount of lost ad valorem tax revenue
2-4 calculated under Subsection (c) for that fiscal year is equal to or
2-5 greater than two percent of the local government's general fund
2-6 revenue for that fiscal year.

2-7 (c) For the purposes of this section, the amount of a local
2-8 government's lost ad valorem tax revenue for a fiscal year is
2-9 calculated by multiplying the ad valorem tax rate adopted by the
2-10 local government under Section 26.05, Tax Code, for the tax year in
2-11 which the fiscal year begins by the total appraised value of all
2-12 property located in the local government that is granted an
2-13 exemption from taxation under Section 11.131, Tax Code, for that
2-14 tax year.

2-15 (d) A disabled veteran assistance payment made to a
2-16 qualified local government for a fiscal year is calculated by
2-17 subtracting from the local government's lost ad valorem tax revenue
2-18 calculated under Subsection (c) for that fiscal year an amount
2-19 equal to one percent of the local government's general fund revenue
2-20 for that fiscal year.

2-21 (e) Not later than April 1 of the first year following the
2-22 end of a fiscal year for which a qualified local government is
2-23 entitled to a disabled veteran assistance payment, a qualified
2-24 local government may submit an application to the comptroller to
2-25 receive a disabled veteran assistance payment for that fiscal year.
2-26 The application must be made on a form prescribed by the
2-27 comptroller. The comptroller may require the qualified local
2-28 government to submit an independent audit otherwise required by law
2-29 to be prepared for the local government for the fiscal year for
2-30 which a qualified local government is entitled to the payment.

2-31 (f) A qualified local government that does not submit an
2-32 application to the comptroller by the date prescribed by Subsection
2-33 (e) is not entitled to a disabled veteran assistance payment for the
2-34 fiscal year for which that deadline applies.

2-35 (g) The comptroller shall review each application by a local
2-36 government to determine whether the local government is entitled to
2-37 a disabled veteran assistance payment. If the comptroller
2-38 determines that the local government is entitled to the payment,
2-39 the comptroller shall remit the payment from available funds to the
2-40 qualified local government not later than the 30th day after the
2-41 date the application for the payment is made.

2-42 SECTION 2. As soon as practicable, but not later than
2-43 December 1, 2015, the comptroller of public accounts shall develop
2-44 the disabled veteran assistance payment form required by Section
2-45 140.011(e), Local Government Code, as added by this Act.

2-46 SECTION 3. A local government that is a qualified local
2-47 government, as that term is defined by Section 140.011(a), Local
2-48 Government Code, as added by this Act, for a fiscal year that began
2-49 in the 2014 tax year is eligible to apply for a disabled veteran
2-50 assistance payment as prescribed by Section 140.011, Local
2-51 Government Code, for that fiscal year.

2-52 SECTION 4. This Act takes effect immediately if it receives
2-53 a vote of two-thirds of all the members elected to each house, as
2-54 provided by Section 39, Article III, Texas Constitution. If this
2-55 Act does not receive the vote necessary for immediate effect, this
2-56 Act takes effect September 1, 2015.

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