

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

July 24, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB74 by Cospers (Relating to the applicability of the law governing the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 140.011, Local Government Code, to redefine "local government" for purposes of determining eligibility for the granting of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to 100 percent or totally disabled veterans or their surviving spouses, also referred to as disabled veteran assistance payments. Under current law, a "local government" includes a municipality adjacent to a U.S. military installation and a county in which a U.S. military installation is wholly or partly located. The bill would revise the municipality portion of the definition to include municipalities located wholly or partly in the affected counties.

Senate Bill 1, Eighty-fifth Legislature, Regular Session, appropriates \$3,250,000 in General Revenue in each fiscal year of the 2018-19 biennium for disabled veteran assistance payments to cities and counties. Assuming no changes in funding, there would be no significant fiscal impact to the state as the appropriation would be allocated among potentially more recipients of the disabled veteran assistance payments.

Local Government Impact

In fiscal year 2017, two counties and two cities were recipients of the disabled veteran assistance payments: Bell County, Coryell County, City of Killeen, and City of Copperas Cove. The bill would potentially increase the number of recipients of the assistance payments. Assuming no changes are made to 2018-19 biennial state funding level of \$3,250,000 in General Revenue in each fiscal year for the assistance payments, the four current recipients of the assistance payments would receive a reduced allocation of the payments while any new municipality would experience a revenue gain.

Source Agencies: 304 Comptroller of Public Accounts, 403 Veterans Commission

LBB Staff: UP, KK, LCO