

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 4, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2356** 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 add a county which is adjacent to a county in which a U.S. military installation is wholly or partly located and revise municipality to include those located wholly or partly in those affected counties.

Assuming current funding levels of \$2,500,000 in General Revenue in each fiscal year, there would be no significant fiscal impact to the state as the current funding would be allocated among potentially more recipients of the disabled veteran assistance payments.

Local Government Impact

In fiscal year 2016, 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 current state funding levels of \$2,500,000 in General Revenue for the assistance payments, the four current recipients of the assistance payments would receive a reduced allocation of the payments while any new local government would experience a revenue gain.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, NV, LCO