

By: Krause

H.B. No. 148

A BILL TO BE ENTITLED

AN ACT

relating to the effect of the receipt by a municipality or county of certain federal coronavirus relief money on the computation of certain ad valorem tax rates of and the procedure for adoption of a tax rate by the municipality or county.

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

SECTION 1. Chapter 26, Tax Code, is amended by adding Section 26.0445 to read as follows:

Sec. 26.0445. TEMPORARY TAX RATE ADJUSTMENT FOR CERTAIN FEDERAL CORONAVIRUS RELIEF MONEY. (a) In this section:

(1) "2021 federal coronavirus relief money" means money received by a municipality or a county in 2021 from the Coronavirus Local Fiscal Recovery Fund (42 U.S.C. Section 803) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).

(2) "2022 federal coronavirus relief money" means money received by a municipality or a county in 2022 from the Coronavirus Local Fiscal Recovery Fund (42 U.S.C. Section 803) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).

(b) For the tax year beginning January 1, 2022, the no-new-revenue tax rate and voter-approval tax rate for a municipality or county are decreased by the rate computed according to the following formula:

1 2021 Federal Coronavirus Relief Money / (Current Total  
2 Value - New Property Value)

3 (c) For the tax year beginning January 1, 2023, the  
4 no-new-revenue tax rate and voter-approval tax rate for a  
5 municipality or county are decreased by the rate computed according  
6 to the following formula:

7 (2022 Federal Coronavirus Relief Money - 2021 Federal  
8 Coronavirus Relief Money) / (Current Total Value - New  
9 Property Value)

10 (d) For the tax year beginning January 1, 2024, the  
11 no-new-revenue tax rate and voter-approval tax rate for a  
12 municipality or county are increased by the rate computed according  
13 to the following formula:

14 [2021 Federal Coronavirus Relief Money + (2022 Federal  
15 Coronavirus Relief Money - 2021 Federal Coronavirus  
16 Relief Money)] / (Current Total Value - New Property  
17 Value)

18 (e) For purposes of computing the rates under Subsections  
19 (c) and (d), if the amount of 2022 federal coronavirus relief money  
20 is less than the amount of 2021 federal coronavirus relief money,  
21 the difference between those amounts is considered to be zero.

22 (f) The municipality or county shall include a notice of the  
23 decrease or increase, as applicable, in the no-new-revenue tax rate  
24 and voter-approval tax rate provided by this section, including a  
25 description and the amount of 2021 or 2022 federal coronavirus  
26 relief money, as applicable, in the information published under  
27 Section 26.04(e) and, as applicable, in the notice prescribed by

1 Section 26.06 or 26.061.

2 (g) This section expires January 1, 2026.

3 SECTION 2. The change in law made by this Act applies to the  
4 computation of the no-new-revenue tax rate and voter-approval tax  
5 rate of a municipality or county beginning with the 2022 tax year.

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