87R12200 CJC-D

By:  Middleton H.B. No. 4170

A BILL TO BE ENTITLED

AN ACT

relating to a requirement that the voter-approval tax rate of certain taxing units be adjusted to reflect changes in the amount of money received by the taxing unit directly from the federal government.

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

SECTION 1.  Chapter 26, Tax Code, is amended by adding Section 26.0444 to read as follows:

Sec. 26.0444.  TAX RATE ADJUSTMENT FOR MONEY RECEIVED FROM FEDERAL GOVERNMENT. (a) In this section, "direct federal receipts" for a tax year means the amount of money received by a taxing unit directly from the federal government for any purpose during the period beginning on July 1 of the year preceding the tax year for which a tax rate is adopted and ending on June 30 of the tax year for which the tax rate is adopted.

(b)  This section does not apply to a school district.

(c)  If a taxing unit's direct federal receipts exceed the amount of those receipts for the preceding tax year, the voter-approval tax rate for the taxing unit is decreased by the rate computed according to the following formula:

(Current Tax Year's Direct Federal Receipts - Preceding Tax Year's Direct Federal Receipts) / (Current Total Value - New Property Value)

(d)  The taxing unit shall include a notice of the decrease in the voter-approval tax rate provided by this section, including a description and the amount of direct federal receipts, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION 2.  The change in law made by this Act applies to the calculation of the voter-approval rate of a taxing unit only for a tax year beginning on or after the effective date of this Act.

SECTION 3.  This Act takes effect January 1, 2022.