By:  Bettencourt S.B. No. 1428

(In the Senate - Filed March 10, 2021; March 18, 2021, read first time and referred to Committee on Local Government; April 21, 2021, reported favorably by the following vote: Yeas 5, Nays 4; April 21, 2021, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Menéndez              X

Eckhardt              X

Gutierrez             X

Hall              X

Nichols           X

Paxton            X

Springer          X

Zaffirini             X

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the exemptions in the event of a disaster from certain limitations on the ad valorem tax rate of a taxing unit.

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

SECTION 1.  Section 26.07(b), Tax Code, is amended to read as follows:

(b)  If the governing body of a special taxing unit or a municipality with a population of 30,000 or more adopts a tax rate that exceeds the taxing unit's voter-approval tax rate, or the governing body of a taxing unit other than a special taxing unit or a municipality with a population of less than 30,000 regardless of whether it is a special taxing unit adopts a tax rate that exceeds the greater of the taxing unit's voter-approval tax rate or de minimis rate, the registered voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought or epidemic, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

SECTION 2.  Section 26.08(a-1), Tax Code, is amended to read as follows:

(a-1)  When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought or epidemic, that has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs. A tax rate adopted under this subsection applies only in the year for which the rate is adopted. If a district adopts a tax rate under this subsection, the amount by which that rate exceeds the district's voter-approval tax rate for that tax year may not be considered when calculating the district's voter-approval tax rate for the tax year following the year in which the district adopts the rate.

SECTION 3.  The changes in law made by this Act apply to the ad valorem tax rate of a taxing unit beginning with the 2022 tax year.

SECTION 4.  This Act takes effect January 1, 2022.

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