

By: Middleton

H.B. No. 4170

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

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

24 (d) The taxing unit shall include a notice of the decrease

1 in the voter-approval tax rate provided by this section, including
2 a description and the amount of direct federal receipts, in the
3 information published under Section 26.04(e) and, as applicable, in
4 the notice prescribed by Section 26.06 or 26.061.

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

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