**BILL ANALYSIS**

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| Senate Research Center | S.B. 1449 |
| 89R4829 PRL-D | By: Bettencourt |
|  | Local Government |
|  | 4/11/2025 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2019 the Texas Legislature passed S.B. 2, The Property Tax Reform and Transparency Act of 2019, which made sweeping overhauls to the state's property tax system. Under S.B. 2 taxing units in a declared disaster area are allowed to utilize the prior law's eight percent voter-approval tax rate multiplier when calculating their tax rate, which allows the taxing unit the ability to generate sufficient cash flow to provide the local match for federal disaster recovery.

However, concerns have been raised that some taxing units have abused their ability to utilize this additional tax authority, and have levied additional property taxes during events that did not incur disaster-related expenses to the taxing unit.

S.B. 1449 seeks to address these concerns by repealing a taxing unit's ability to set a higher tax rate when the taxing unit is located in a disaster area.

As proposed, S.B. 1449 amends current law relating to the repeal of provisions authorizing certain taxing units in the year following the year in which a disaster occurs to adopt an ad valorem tax rate that exceeds the voter-approval tax rate without holding an election to approve the adopted tax rate and makes conforming changes.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 48.202(f), Education Code, as follows:

(f) Prohibits a school district, rather than prohibits a district unless Section 26.042(e) (relating to providing that, if the governor has requested federal disaster assistance, an election is not required to approve the tax rate adopted in the year after a disaster occurs), Tax Code, applies to the district, for a tax year in which a district is required to reduce the district's tax rate under this subsection, from increasing the district's maintenance and operations tax rate that exceeds a certain rate. Makes a nonsubstantive change.

SECTION 2. Amends the heading to Section 26.042, Tax Code, to read as follows:

Sec. 26.042. CALCULATION OF VOTER-APPROVAL TAX RATE OF CERTAIN TAXING UNITS IN DISASTER AREA.

SECTION 3. Amends Section 26.042(g), Tax Code, as follows:

(g) Requires a taxing unit that in a tax year elects to calculate the taxing unit's voter-approval tax rate under Subsection (a) (relating to calculating the tax rate for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area) to specify the disaster declaration that provides the basis for authorizing the taxing unit to calculate a tax rate under that subsection. Deletes existing text requiring a taxing unit that in a tax year elects to adopt a tax rate that exceeds the taxing unit's voter-approval tax rate for that tax year without holding an election under Subsection (d) (relating to providing that, if the taxing unit is located in a disaster area, an election is not required to approve the tax rate adopted in the year after the disaster occurs) or (e) to specify the disaster declaration that provides the basis for authorizing the taxing unit to adopt a tax rate under the applicable subsection. Makes conforming and nonsubstantive changes.

SECTION 4. Repealer: Section 45.0032(d) (relating to providing that an election is not required to approve the tax rate adopted in the year after the disaster occurs), Education Code.

Repealers: Sections 26.042(d) (relating to providing that, if the taxing unit is located in a disaster area, an election is not required to approve the tax rate adopted in the year after the disaster occurs) and (e) (relating to providing that, if the governor has requested federal disaster assistance, an election is not required to approve the tax rate adopted in the year after a disaster occurs), Tax Code.

Repealer: Section 26.042(f) (relating to prohibiting a certain tax rate that exceeds the taxing unit's voter-approval tax rate from being considered when calculating the taxing unit's voter-approval tax rate), Tax Code.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: January 1, 2026.