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H.B. No. 30

A BILL TO BE ENTITLED

AN ACT

relating to the effect of a disaster and associated costs on the calculation of certain tax rates and the procedure for adoption of a tax rate by a taxing unit.

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

SECTION 1. Section 26.042, Tax Code, is amended by amending Subsections (a), (f), and (g) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) Notwithstanding Sections 26.04 and 26.041, the governing body of a taxing unit other than a school district or a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided by Subsection (a-2) ~~[for a special taxing unit]~~ if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States and at least one person is granted an exemption under Section 11.35 for property located in the taxing unit. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of

property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

(a-1) In this section:

(1) "Disaster relief cost" means the total amount of a taxing unit's share of the cost associated with the following services provided during a disaster declared by the president of the United States or the governor during the current tax year:

(A) the removal of debris or wreckage in the taxing unit, as determined by an estimate:

(i) if the disaster is declared by the president of the United States, made under 42 U.S.C. Section 5173; or

(ii) if the disaster is declared by the governor but not by the president of the United States, made by the taxing unit using, to the extent practicable, the methods used to make a federal estimate under 42 U.S.C. Section 5173; and

(B) essential assistance as determined by:

(i) if the disaster was declared by the president of the United States, a federal estimate; or

(ii) if the disaster was declared by the governor but not by the president of the United States, an estimate made by the taxing unit using, to the extent practicable, the methods used to make a federal estimate described by Subparagraph (i).

(2) "Disaster relief rate" means a rate expressed in

dollars per \$100 of taxable value and calculated according to the following formula:

DISASTER RELIEF RATE = (DISASTER RELIEF COST) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

(3) "Essential assistance" means the following forms of essential assistance described by 42 U.S.C. Section 5170b:

(A) emergency sheltering of individuals;

(B) overtime and hazardous duty compensation provided to police, fire, and emergency medical service personnel;

(C) water testing and treatment;

(D) provision of essential supplies;

(E) search and rescue efforts;

(F) evacuation services;

(G) medical care and transport; and

(H) security measures and services.

(a-2) The voter-approval tax rate the governing body of the taxing unit may direct the designated officer or employee to calculate under Subsection (a) is equal to the lesser of:

(1) the voter-approval tax rate calculated in the manner provided for a special taxing unit; or

(2) the voter-approval tax rate calculated according to the following formula:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE X 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE + DISASTER RELIEF RATE)

(a-3) A taxing unit to which Subsection (a) applies that makes an estimate described by Subsection (a-1)(1)(A)(ii) or

1 (B)(ii) shall, as soon as practicable after completing the
2 estimate, forward the estimate to the Texas Division of Emergency
3 Management.

4 (f) If a taxing unit adopts a tax rate under Subsection [~~(d)~~
5 ~~or~~] (e), the amount by which that rate exceeds the taxing unit's
6 voter-approval tax rate for that tax year may not be considered when
7 calculating the taxing unit's voter-approval tax rate for the tax
8 year following the year in which the taxing unit adopts the rate.

9 (g) A taxing unit that in a tax year elects to calculate the
10 taxing unit's voter-approval tax rate under Subsection (a) or adopt
11 a tax rate that exceeds the taxing unit's voter-approval tax rate
12 for that tax year without holding an election under Subsection [~~(d)~~
13 ~~or~~] (e) must specify the disaster declaration that provides the
14 basis for authorizing the taxing unit to calculate or adopt a tax
15 rate under the applicable subsection. A taxing unit that in a tax
16 year specifies a disaster declaration as providing the basis for
17 authorizing the taxing unit to calculate or adopt a tax rate under
18 Subsection (a)[~~—(d)—~~] or (e) may not in a subsequent tax year
19 specify the same disaster declaration as providing the basis for
20 authorizing the taxing unit to calculate or adopt a tax rate under
21 one of those subsections if in an intervening tax year the taxing
22 unit specifies a different disaster declaration as the basis for
23 authorizing the taxing unit to calculate or adopt a tax rate under
24 one of those subsections.

25 SECTION 2. Section 26.042(d), Tax Code, is repealed.

26 SECTION 3. The change in law made by this Act applies only
27 to an ad valorem tax year that begins on or after the effective date

1 of this Act.

2 SECTION 4. This Act takes effect January 1, 2026.