

By: Hickland

H.B. No. 2894

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the provision of state aid to certain local governments  
3 disproportionately affected by the granting of ad valorem tax  
4 relief to disabled veterans.

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

6 SECTION 1. Section 140.011(a)(2), Local Government Code, is  
7 amended to read as follows:

8 (2) "Local government" means:

9 (A) a municipality [~~adjacent to a United States~~  
10 ~~military installation~~]; and

11 (B) a county in which a United States military  
12 installation is wholly or partly located.

13 SECTION 2. Section 140.011(b), Local Government Code, is  
14 amended to read as follows:

15 (b) To serve the state purpose of ensuring that the cost of  
16 providing ad valorem tax relief to disabled veterans is shared  
17 equitably among the residents of this state, a local government is  
18 entitled to a disabled veteran assistance payment from the state  
19 for each fiscal year that the local government is a qualified local  
20 government. A local government is a qualified local government for  
21 a fiscal year if the amount of lost ad valorem tax revenue  
22 calculated under Subsection (c) for that fiscal year is equal to or  
23 greater than:

24 (1) two percent of the local government's general fund

1 revenue for that fiscal year if the local government is:

2 (A) a municipality adjacent to a United States  
3 military installation; or

4 (B) a county described by Subsection (a)(2)(B);  
5 and

6 (2) 10 percent of the local government's general fund  
7 revenue for that fiscal year if the local government is a  
8 municipality other than a municipality described by Subdivision  
9 (1)(A).

10 SECTION 3. Section [140.011](#)(a)(2), Local Government Code, as  
11 amended by this Act, applies only to the eligibility of a local  
12 government to apply for a disabled veteran assistance payment  
13 beginning with the fiscal year of the local government that ends in  
14 the 2025 tax year.

15 SECTION 4. This Act takes effect September 1, 2025.