

By: Blanco

S.B. No. 899

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 and surviving spouses of certain armed
5 services members.

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

7 SECTION 1. The heading to Section 140.011, Local Government
8 Code, is amended to read as follows:

9 Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY
10 AFFECTED BY PROPERTY TAX RELIEF FOR DISABLED VETERANS AND SURVIVING
11 SPOUSES OF CERTAIN ARMED SERVICES MEMBERS.

12 SECTION 2. Section 140.011(a)(3), Local Government Code, is
13 amended to read as follows:

14 (3) "Qualified local government" means a local
15 government entitled to a military exemption [~~disabled veteran~~]
16 assistance payment under this section.

17 SECTION 3. Sections 140.011(b), (c), (d), (e), (f), and
18 (g), Local Government Code, are amended to read as follows:

19 (b) To serve the state purpose of ensuring that the cost of
20 providing ad valorem tax relief to disabled veterans and surviving
21 spouses of members of the armed services killed or fatally injured
22 in the line of duty is shared equitably among the residents of this
23 state, a local government is entitled to a military exemption
24 [~~disabled veteran~~] assistance payment from the state for each

1 fiscal year that the local government is a qualified local
2 government. A local government is a qualified local government for
3 a fiscal year if the amount of lost ad valorem tax revenue
4 calculated under Subsection (c) for that fiscal year is equal to or
5 greater than two percent of the local government's general fund
6 revenue for that fiscal year.

7 (c) For the purposes of this section, the amount of a local
8 government's lost ad valorem tax revenue for a fiscal year is
9 calculated by multiplying the ad valorem tax rate adopted by the
10 local government under Section 26.05, Tax Code, for the tax year in
11 which the fiscal year begins by the total appraised value of all
12 property located in the local government that is granted an
13 exemption from taxation under Section 11.131 or 11.133, Tax Code,
14 for that tax year.

15 (d) A military exemption [~~disabled veteran~~] assistance
16 payment made to a qualified local government for a fiscal year is
17 calculated by subtracting from the local government's lost ad
18 valorem tax revenue calculated under Subsection (c) for that fiscal
19 year an amount equal to one percent of the local government's
20 general fund revenue for that fiscal year.

21 (e) Not later than May [~~April~~] 1 of the first year following
22 the end of a fiscal year for which a qualified local government is
23 entitled to a military exemption [~~disabled veteran~~] assistance
24 payment, a qualified local government may submit an application to
25 the comptroller to receive a military exemption [~~disabled veteran~~]
26 assistance payment for that fiscal year. The application must be
27 made on a form prescribed by the comptroller. The comptroller may

1 require the qualified local government to submit an independent
2 audit otherwise required by law to be prepared for the local
3 government for the fiscal year for which a qualified local
4 government is entitled to the payment.

5 (f) A qualified local government that does not submit an
6 application to the comptroller by the date prescribed by Subsection
7 (e) is not entitled to a military exemption [~~disabled veteran~~]
8 assistance payment for the fiscal year for which that deadline
9 applies.

10 (g) The comptroller shall review each application by a local
11 government to determine whether the local government is entitled to
12 a military exemption [~~disabled veteran~~] assistance payment. If the
13 comptroller determines that the local government is entitled to the
14 payment, the comptroller shall remit the payment from available
15 funds to the qualified local government not later than the 30th day
16 after the date the application for the payment is made.

17 SECTION 4. Section [140.011](#), Local Government Code, as
18 amended by this Act, applies to the deadline for a local government
19 to apply for, and the calculation of the amount of, a military
20 exemption assistance payment beginning with the fiscal year of the
21 local government that ends in the 2025 tax year.

22 SECTION 5. This Act takes effect September 1, 2025.