

SENATE AMENDMENTS
2nd Printing

By: Hickland, Gervin-Hawkins, Schoolcraft, H.B. No. 2894
Bernal, Lujan, et al.

A BILL TO BE ENTITLED

AN ACT

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

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

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

(2) "Local government" means:

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

(B) a county ~~[in which a United States military
installation is wholly or partly located]~~.

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

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

(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 in which a United States military
5 installation is wholly or partly located; and

6 (2) 10 percent of the local government's general fund
7 revenue for that fiscal year if the local government is:

8 (A) a municipality other than a municipality
9 described by Subdivision (1)(A); or

10 (B) a county adjacent to a county described by
11 Subdivision (1)(B).

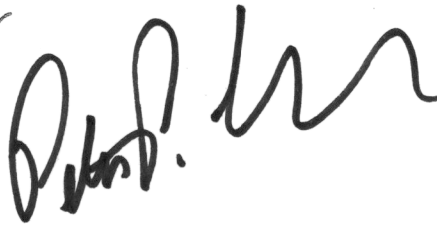
12 SECTION 3. Section 140.011(a)(2), Local Government Code, as
13 amended by this Act, applies only to the eligibility of a local
14 government to apply for a disabled veteran assistance payment
15 beginning with the fiscal year of the local government that ends in
16 the 2025 tax year.

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

ADOPTED

MAY 19 2025

Latey Law
Secretary of the Senate



By:

Peter P. Stone

H.B. No. 2894

Substitute the following for H.B. No. 2894:

By:

Peter P. Stone

C.S. H.B. No. 2894

A BILL TO BE ENTITLED

AN ACT

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

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

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

(2) "Local government" means:

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

(B) a county [~~in which a United States military installation is wholly or partly located~~].

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

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

(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 in which a United States military
5 installation is wholly or partly located; and

6 (2) 10 percent of the local government's general fund
7 revenue for that fiscal year if the local government is:

8 (A) a municipality in a county:

9 (i) described by Subdivision (1)(B) that
10 has a population of:

11 (a) more than 370,000 but not more
12 than 380,000; or

13 (b) more than 83,000 but not more than
14 84,000; or

15 (ii) described by Paragraph (B); or

16 (B) a county with a population of less than
17 25,000 that is adjacent to two counties that contain the same United
18 States Army installation, neither of which has a population greater
19 than 400,000.

20 SECTION 3. Section 140.011(a)(2), Local Government Code, as
21 amended by this Act, applies only to the eligibility of a local
22 government to apply for a disabled veteran assistance payment
23 beginning with the fiscal year of the local government that ends in
24 the 2025 tax year.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2894 by Hickland (Relating to the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Section 140, Local Government Code, to expand the definition of "local government", within the context of disabled veteran assistance payments, to include any municipality or county. A qualified local government would be a municipality adjacent to a U.S. military installation or a county in which a U.S. military installation is wholly or partly located with lost property tax revenue of at least 2 percent of general fund revenue in a fiscal year.

The bill would add a municipality in a county in which a U.S. military installation is wholly or partly located with a population between 370,000 and 380,000, or between 83,000 and 84,000, or a county with a population of less than 25,000 that is adjacent to two counties that contain the same U.S. Army installation, neither of which has a population greater than 400,000 with lost property tax revenue of at least 10 percent of the local government's general fund revenue for that fiscal year.

Although the bill expands the number of eligible local governments, changing the distribution of funds, the amount of funding available for distribution is a sum-certain appropriation. Therefore, this bill alone would have no fiscal impact to the state.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SD, KK, LCO, CSmi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 14, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2894 by Hickland (relating to the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Section 140, Local Government Code, to expand the definition of "local government", within the context of disabled veteran assistance payments, to include any municipality or county. A qualified local government would be a municipality adjacent to a U.S. military installation or a county in which a U.S. military installation is wholly or partly located with lost property tax revenue of at least 2 percent of general fund revenue in a fiscal year.

The bill would add a municipality in a county in which a U.S. military installation is wholly or partly located with a population between 370,000 and 380,000, or between 83,000 and 84,000, or a county with a population of less than 25,000 that is adjacent to two counties that contain the same U.S. Army installation, neither of which has a population greater than 400,000 with lost property tax revenue of at least 10 percent of the local government's general fund revenue for that fiscal year.

Although the bill expands the number of eligible local governments, changing the distribution of funds, the amount of funding available for distribution is a sum-certain appropriation. Therefore, this bill alone would have no fiscal impact to the state.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, LCO, CSmi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 13, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2894 by Hickland (Relating to the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 140, Local Government Code, to expand the definition of "local government", within the context of disabled veteran assistance payments, to include any municipality or county regardless of proximity to a U.S. military installation. Current law includes only municipalities adjacent to a U.S. military installation, or counties in which a U.S. military installation is wholly or partially located. These newly included local governments would be eligible for assistance payments if the amount of lost ad valorem tax revenue is greater than or equal to 10 percent of the local governments' general fund revenue for that fiscal year.

Although the bill expands the number of eligible local governments, changing the distribution of funds, the amount of funding available for distribution is a sum-certain appropriation. Therefore, this bill alone would have no fiscal impact to the state.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, LCO, CSmi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 30, 2025

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2894 by Hickland (Relating to the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 140, Local Government Code, to expand the definition of "local government", within the context of disabled veteran assistance payments, to include any municipality rather than only municipalities adjacent to a U.S. military installation. These newly included governments would be eligible for assistance payments if the amount of lost ad valorem tax revenue is greater than or equal to 10 percent of the local governments' general fund revenue for that fiscal year.

Although the bill expands the number of eligible local governments, changing the distribution of funds, the amount of funding available for distribution is a sum-certain appropriation. Therefore, this bill alone would have no fiscal impact to the state.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, LCO, CSmi