

By: Hickland

H.B. No. 1309

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the law governing the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans and to the effect of the receipt of such aid on the maintenance and operations ad valorem tax rate of a local government.

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 located in a county described by Paragraph (B) ~~[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, Local Government Code, is amended by adding Subsection (j) to read as follows:

(j) This subsection applies only to the adoption of the maintenance and operations ad valorem tax rate of a qualified local government under Section 26.05, Tax Code, for the first tax year that begins after the end of a fiscal year for which the local government receives a disabled veteran assistance payment. A qualified local government may not adopt a maintenance and operations ad valorem tax rate for a tax year to which this

1 subsection applies that is greater than the maintenance and
2 operations ad valorem tax rate adopted by the local government for
3 the preceding tax year.

4 SECTION 3. Section 140.011(a)(2), Local Government Code, as
5 amended by this Act, applies to the eligibility of a local
6 government to apply for a disabled veteran assistance payment
7 beginning with the fiscal year of the local government that ends in
8 the 2025 tax year.

9 SECTION 4. Section 140.011(j), Local Government Code, as
10 added by this Act, applies only to the adoption of a maintenance and
11 operations ad valorem tax rate by a qualified local government, as
12 that term is defined by Section 140.011(a)(3) of that code, for a
13 tax year that begins on or after January 1, 2026.

14 SECTION 5. (a) Except as provided by Subsection (b) of this
15 section, this Act takes effect September 1, 2025.

16 (b) Section 140.011(j), Local Government Code, as added by
17 this Act, takes effect January 1, 2026.