

BILL ANALYSIS

Senate Research Center
87R1528 SMT-D

S.B. 1428
By: Bettencourt
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Last session in S.B. 2 a drought was specifically excluded as a reason to permit revenue increases above the 3.5 percent voter-approval rate. Since it had been over 100 years since the last epidemic until March 2020, that was not included in the original bill. Drought and epidemic are more economic disasters than physical disasters.

S.B. 1428 adds epidemic as an additional exclusion to exceed the voter-approval rate when a disaster has been declared.

As proposed, S.B. 1428 amends current law relating to the applicability of the exemptions in the event of a disaster from certain limitations on the ad valorem tax rate of a taxing unit.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.07(b), Tax Code, as follows:

(b) Provides that when increased expenditure of money by a taxing unit is necessary to respond to certain disasters, but not including a drought or epidemic, rather than not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

SECTION 2. Amends Section 26.08(a-1), Tax Code, as follows:

(a-1) Provides that when increased expenditure of money by a school district is necessary to respond to certain disasters, but not including a drought or epidemic, rather than not including a drought, that has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

SECTION 3. Provides that the changes in law made by this Act apply to the ad valorem tax rate of a taxing unit beginning with the 2022 tax year.

SECTION 4. Effective date: January 1, 2022.