

1-1 By: Hickland, et al. (Senate Sponsor - Flores) H.B. No. 2894
1-2 (In the Senate - Received from the House April 23, 2025;
1-3 April 24, 2025, read first time and referred to Committee on
1-4 Finance; May 15, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 14, Nays 1;
1-6 May 15, 2025, sent to printer.)

1-7 COMMITTEE VOTE

1-8		Yea	Nay	Absent	PNV
1-9	Huffman	X			
1-10	Hinojosa of Hidalgo	X			
1-11	Alvarado	X			
1-12	Bettencourt	X			
1-13	Campbell	X			
1-14	Creighton	X			
1-15	Flores	X			
1-16	Hall	X			
1-17	Kolkhorst	X			
1-18	Nichols	X			
1-19	Paxton	X			
1-20	Perry	X			
1-21	Schwertner		X		
1-22	West	X			
1-23	Zaffirini	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 2894 By: Flores

1-25 A BILL TO BE ENTITLED
1-26 AN ACT

1-27 relating to the provision of state aid to certain local governments
1-28 disproportionately affected by the granting of ad valorem tax
1-29 relief to disabled veterans.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Section 140.011(a)(2), Local Government Code, is
1-32 amended to read as follows:

1-33 (2) "Local government" means:

1-34 (A) a municipality ~~adjacent to a United States~~
1-35 ~~military installation~~; and

1-36 (B) a county ~~[in which a United States military~~
1-37 ~~installation is wholly or partly located]~~.

1-38 SECTION 2. Section 140.011(b), Local Government Code, is
1-39 amended to read as follows:

1-40 (b) To serve the state purpose of ensuring that the cost of
1-41 providing ad valorem tax relief to disabled veterans is shared
1-42 equitably among the residents of this state, a local government is
1-43 entitled to a disabled veteran assistance payment from the state
1-44 for each fiscal year that the local government is a qualified local
1-45 government. A local government is a qualified local government for
1-46 a fiscal year if the amount of lost ad valorem tax revenue
1-47 calculated under Subsection (c) for that fiscal year is equal to or
1-48 greater than:

1-49 (1) two percent of the local government's general fund
1-50 revenue for that fiscal year if the local government is:

1-51 (A) a municipality adjacent to a United States
1-52 military installation; or

1-53 (B) a county in which a United States military
1-54 installation is wholly or partly located; and

1-55 (2) 10 percent of the local government's general fund
1-56 revenue for that fiscal year if the local government is:

1-57 (A) a municipality in a county:

1-58 (i) described by Subdivision (1)(B) that
1-59 has a population of:

1-60 (a) more than 370,000 but not more

2-1 than 380,000; or
2-2 (b) more than 83,000 but not more than
2-3 84,000; or
2-4 (ii) described by Paragraph (B); or
2-5 (B) a county with a population of less than
2-6 25,000 that is adjacent to two counties that contain the same United
2-7 States Army installation, neither of which has a population greater
2-8 than 400,000.

2-9 SECTION 3. Section 140.011(a)(2), Local Government Code, as
2-10 amended by this Act, applies only to the eligibility of a local
2-11 government to apply for a disabled veteran assistance payment
2-12 beginning with the fiscal year of the local government that ends in
2-13 the 2025 tax year.

2-14 SECTION 4. This Act takes effect September 1, 2025.

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