

SUBJECT: Expanding eligibility for disabled veteran assistance payment program

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 10 ayes — Meyer, Thierry, Craddick, Gervin-Hawkins, Hefner, Muñoz,  
Noble, Raymond, Shine, Turner

0 nays

1 absent — Button

WITNESSES: For —David Blackburn, Bell County; Wayne Carpenter, City of Belton;  
Mark Allen, City of Cibolo; Stosh Boyle, City of cibolo; Ryan Haverlah,  
City of Copperas Cove; David Mitchell, City of Harker Heights; Spencer  
Smith, City of Harker Heights; Kent Cagle, City of Killeen; Andy  
Williams, City of Nolanville; Juan Ayala, City of San Antonio; Roger  
Miller, Coryell County; Keith Sledd, Executive Director for the Heart of  
Texas Defense Alliance and Chair for the Governor’s Committee to  
Support the Military.; Bobby Carroll, Randall Hoyer, Lampasas County;  
Mitch Fuller, Veterans of Foreign Affairs Department of Texas; Tim  
Woliver (*Registered, but did not testify*: Randy Pittenger, Belton Area  
Chamber of Commerce; Clifford Sparks, City of Dallas; Guadalupe  
Cuellar, City of El Paso; TJ Patterson, City of Fort Worth; Nadia Islam,  
City of San Antonio; Fred Shannon, City of Temple; Adam Haynes,  
Conference of Urban Counties; Manuel Montanez, Copperas Cove City  
Counsel; Rick Thompson, County Judges and Commissioners Association  
of Texas; Elisa M. Tamayo, El Paso County; Christopher Young,  
Linebarger; Kevin Kieschnick, Office of Nueces County Tax Assessor  
Collector; Ray Head, TAPTP; Raif Calvert, Texas Association of School  
Boards; Amanda Brownson, Texas Association of School Business  
Officials; Mark Terry, Texas Elementary Principals and Supervisors  
Association; Monty Wynn, Texas Municipal League; Hilary Shine)

Against — None

On — Howard Arey (*Registered, but did not testify*: Tom Malone,

Comptroller of Public Accounts; Allison Mansfield, Comptroller of Public Accounts; Keith Graf, Office of the Governor, Texas Military Preparedness Commission)

**BACKGROUND:** Some have suggested expanding local government eligibility to receive reimbursement payments from the disabled veteran assistance payment program would help ensure that communities with a large number of individuals receiving the disabled veteran resident homestead property tax exemption could still provide essential services for residents.

**DIGEST:** CSHB 1613 would revise provisions governing the disabled veteran assistance payments provided by the state to certain qualified local governments. The bill could be cited as the State Economic Reimbursement for Veterans Exemption (SERVE) Act.

The bill would revise language referring to a local government's general fund revenue to instead refer only to its ad valorem tax revenue. The bill also would revise the definition of "local government" under the bill's provisions to mean any municipality or county, rather than only those adjacent to a military base or containing a United States military installation. The bill would decrease the minimum amount of lost ad valorem tax revenue required for a government to qualify for a disabled veteran assistance payment from 2 percent to 1 percent for that fiscal year.

**Trust fund establishment.** CSHB 1613 would establish the local government assistance trust fund as a trust fund outside of the state treasury. The fund would consist of proceeds from the collection of certain taxes deposited to the credit of the fund and other money deposited at the direction of the Legislature. The comptroller would administer the fund as trustee on behalf of qualified local governments and allocate money deposited in the fund for the purpose of making payments to which qualified local governments were entitled. The comptroller could make a payment from the fund to a qualified local government without the necessity of an appropriation.

If the comptroller determined that the balance of the fund in a fiscal year

was not sufficient to pay the full payment amount to qualified local governments in that year, the comptroller would proportionally reduce the amount of each payment made to a local government that year as necessary to prevent the fund from becoming insolvent.

If in a fiscal year the amount of money in the trust fund exceeded the amount necessary to pay the full payment amount to qualified local governments in that year, the comptroller would transfer the excess amount to the general revenue fund by the last day of the year.

For the fiscal years beginning September 1, 2023 and September 1, 2024, the amount deposited to the credit of the trust fund would be \$200 million. Each subsequent fiscal year, the comptroller would be required to determine the amount of proceeds from the collection of sales, excise, and use taxes to be deposited into the fund in a manner established by the bill and deposit that amount to the credit of the fund.

The bill would take effect September 1, 2023 and would apply only to eligibility of a local government to apply for, and the calculation of, a disabled veteran assistance payment beginning with the fiscal year of the local government that ends in the 2023 tax year.

NOTES:

According to the Legislative Budget Board, CSHB 1613 would have a negative impact of \$400,458,000 through fiscal 2024-25.