

BILL ANALYSIS

H.B. 1051
By: McReynolds
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Every disabled veteran in the country is assigned a disability rating, ranging from 10% to 100% disabled, by the Veterans' Administration (VA). The VA first formulates a veteran's true level of disability. However, this number is then rounded to the nearest multiple of ten, with numbers ending in five or higher being rounded up, and numbers ending in four or less being rounded down. For example, if a veteran was deemed as being 35% disabled, his final rating would be "40", but if he was deemed as being 34% disabled his disability rating would be "30". This final number is the only number used as a veteran's disability rating.

An inconsistency exists with this system and Chapter 11.22 of the Texas Tax Code, pertaining to property tax exemptions for disabled veterans. The four different levels of exemption in the code are based on disability ranges of 10%-30%, 31%-50%, 51%-70%, and 71% and over. This chart is misleading because there are no such ratings as 31%, 32%, 33%, or any other number between multiples of ten. This has led to confusion as veterans see this chart and feel that they should be in a higher category because their true, initial level of disability prior to being rounded falls into an exemption range in which they do not qualify. HB 1051 allows Texans to receive the full benefits for which they qualify based on their actual levels of disability. It will help some of our disabled veterans and would, at the same time, be relatively inexpensive for counties to implement.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

In Section 11.22 (a) of the Property Tax Code, the bill changes the \$5,000 disabled veterans exemption range from 10% - 30% to 10% - 29%, changes the \$7,500 exemption range from 31% - 50% to 30% - 49%, changes the \$10,000 exemption range from 51% - 70% to 50% - 69%, and changes the \$12,000 exemption range from 71% and over to 70% and over.

EFFECTIVE DATE

January 1, 2006, if the constitutional amendment authorizing an increase in the amount of the ad valorem tax exemptions for veterans who are certified as having certain disability ratings is approved by the voters.