

## **BILL ANALYSIS**

H.J.R. 37  
By: McReynolds  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

There is a discrepancy between the Veterans Administration (VA) disability ratings system and Chapter 11.22 of the Texas Tax Code, pertaining to property tax exemptions for disabled veterans. Under the current code, there are four different levels of tax exemption based on disability rating ranges of 10%-30%, 31%-50%, 51%-70%, and 71% and over. This creates an inconsistency compared to how the VA determines a veteran's actual disability rating. The VA first develops a number representing their true level of disability. However, the VA then rounds this number to the nearest multiple of ten, with a numbers ending in a 5 or higher being rounded up and numbers ending in a 4 or lower being rounded down. This final number is the only number used as a veteran's disability rating. For example, if a veteran is determined to be 35% disabled, they would receive a disability rating of "40", however if they are determined to be 34% disabled, their disability rating would be a "30".

This has lead to frustration for veterans who notice that they are in a lower category than what their initial, true rating would allow for due to that number being rounded down. HJR 37 would allow Texans to receive the full property tax exemptions for which they are qualified based on their true levels of disability.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

The resolution amends Article VIII, Section 2 (b) of the Texas Constitution by altering the exemption brackets by 1 digit per bracket to allow our system to align with the VA's rounded amounts.

The resolution adds a temporary provision, which would expire January 1, 2009, to the Texas Constitution that the amendment would take effect January 1, 2008 and applies only to a tax year beginning on or after that date.

The resolution provides that this proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to authorize a change in the manner of determining the amount of the exemption from ad valorem taxation to which a disabled veteran is entitled.

### **EFFECTIVE DATE**

This proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007. If approved by the voters, it would take effect on January 1, 2008.