

BILL ANALYSIS

S.B. 666
By: Carona
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When returning due to injuries from battle, soldiers are discharged and then graded by the United States Department of Veterans Affairs (VA) on the severity of their disability. The VA's disability ratings range from zero to 100 percent, where a veteran's final rating is that number rounded to the nearest "ten." For example, a veteran leaving the service with a 24 percent disability rating will have an official and final rating of 20 percent. If the rating is 98 percent, then the veteran would be bumped up to 100 percent disabled. Though seemingly similar, "100 percent disabled" and "totally disabled" are two separate ratings. For purposes of this bill, however, both will qualify a veteran for the exemption. Based on these ratings, the State of Texas currently provides veterans a sliding scale of exemptions from certain ad valorem property taxes.

As proposed, S.B. 666, contingent upon approval of S.J.R.29, exempts persons who are 100 percent disabled or totally disabled as a result of a service-connected disability according to the VA from all ad valorem property taxes on their homestead.

RULEMAKING AUTHORITY

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

ANALYSIS

The bill amends Section 11.13, Tax Code, by adding Subsection (s), to define "disabled veteran." Entitles a disabled veteran who is classified as having a service-connected disability with a disability rating of 100 percent or of totally disabled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

The bill amends Section 403.302, Government Code, by adding Subsection (d-2), to specify that a residence homestead, for purposes of Subsection (d), that receives an exemption under Section 11.13(s), Tax Code, in the year that is the subject of the study is not considered to be taxable property.

The bill makes the application of this Act prospective.

The bill states an effective date of January 1, 2008, contingent upon approval by the voters of the constitutional amendment relating to the exemption of all or part of the residence homesteads of certain totally disabled veterans from ad valorem taxation.

EFFECTIVE DATE

This Act takes effect January 1, 2008, but only if the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to exempt all or part of the residence homesteads of certain totally disabled veterans from ad valorem taxation is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.