

By: McReynolds

H.B. No. 2255

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the ad valorem taxation of the residence homestead of a
3 disabled veteran or the surviving spouse of a disabled veteran.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 11.22, Tax Code, is amended by adding
6 Subsection (i) to read as follows:

7 (i) This subsection applies only to real property that a
8 disabled veteran or surviving spouse has qualified for a residence
9 homestead exemption provided by Section 11.13 and designated as the
10 property to which an exemption provided by this section applies. If
11 after January 1 of a tax year the disabled veteran or surviving
12 spouse qualifies a different property in that tax year for a
13 residence homestead exemption provided by Section 11.13 and applies
14 for an exemption under this section applicable to the new residence
15 homestead for that tax year, the exemption provided by this section
16 applies to the new residence homestead as of the date the new
17 residence homestead qualifies for the exemption under Section
18 11.13, and the exemption provided by this section applicable to the
19 former residence homestead terminates on that date. If the former
20 residence homestead was located in another appraisal district, the
21 chief appraiser of the appraisal district in which the new
22 residence homestead is located shall notify the chief appraiser of
23 the appraisal district in which the former residence homestead was
24 located that the disabled veteran or surviving spouse has qualified

1 a new residence homestead for an exemption under this section and
2 the date on which the new residence homestead was qualified, and the
3 chief appraiser of the other appraisal district shall cancel the
4 exemption provided by this section applicable to the former
5 residence homestead as of the date that the disabled veteran or
6 surviving spouse qualified the new residence homestead for
7 exemption under this section.

8 SECTION 2. Section 11.42, Tax Code, is amended by amending
9 Subsection (a) and adding Subsection (c-1) to read as follows:

10 (a) Except as provided by Subsections (b), ~~and~~ (c), and
11 (c-1) and by Sections 11.421, 11.422, 11.434, 11.435, and 11.436,
12 eligibility for and amount of an exemption authorized by this
13 chapter for any tax year are determined by a claimant's
14 qualifications on January 1. A person who does not qualify for an
15 exemption on January 1 of any year may not receive the exemption
16 that year.

17 (c-1) The exemptions provided by Sections 11.13 and 11.22
18 and applicable to a property described by Section 11.22(i) are
19 effective as of January 1 of the tax year in which the property
20 owner qualifies the property for the exemptions and apply to the
21 entire tax year.

22 SECTION 3. Chapter 26, Tax Code, is amended by adding
23 Sections 26.114 and 26.115 to read as follows:

24 Sec. 26.114. PRORATING TAXES: TERMINATION OF RESIDENCE
25 HOMESTEAD AND DISABLED VETERAN EXEMPTIONS. (a) This section
26 applies only to a property described by Section 11.22(i).

27 (b) If the appraisal roll shows that the exemptions provided

1 by Sections 11.13 and 11.22 applicable to the property on January 1
2 of a year terminated during the year and if the property owner
3 qualifies a different property for those exemptions during the same
4 year, the tax due against the former residence homestead is
5 calculated by:

6 (1) subtracting:

7 (A) the amount of the taxes that otherwise would
8 be imposed on the former residence homestead for the entire year had
9 the exemptions under Sections 11.13 and 11.22 for which the
10 property qualified been applicable to the former residence
11 homestead for the entire year; from

12 (B) the amount of the taxes that otherwise would
13 be imposed on the former residence homestead for the entire year had
14 the property not qualified for those exemptions during the year;

15 (2) multiplying the remainder determined under
16 Subdivision (1) by a fraction, the denominator of which is 365 and
17 the numerator of which is the number of days that elapsed after the
18 date the exemptions under Sections 11.13 and 11.22 for which the
19 property qualified terminated; and

20 (3) adding the product determined under Subdivision
21 (2) and the amount described by Subdivision (1)(A).

22 (c) Section 26.10 does not apply to a property for which the
23 tax due is calculated under this section.

24 Sec. 26.115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF
25 DISABLED VETERAN OR SURVIVING SPOUSE. (a) In this section,
26 "disabled veteran" and "surviving spouse" have the meanings
27 assigned by Section 11.22.

1 (b) Except as provided by Section 26.114(b), if at any time
2 during a tax year property is owned by a disabled veteran or
3 surviving spouse who qualifies the property for an exemption under
4 Section 11.13 and under Section 11.22, the amount of the tax due on
5 the property for the tax year is calculated as if the person
6 qualified for those exemptions on January 1 and continued to
7 qualify for those exemptions for the remainder of the tax year.

8 (c) If a disabled veteran or surviving spouse qualifies
9 property for an exemption under Section 11.13 and under Section
10 11.22 after the amount of the tax due on the property is calculated
11 and the effect of those qualifications is to reduce the amount of
12 the tax due on the property, the assessor for each taxing unit shall
13 recalculate the amount of the tax due on the property and correct
14 the tax roll. If the tax bill has been mailed and the tax on the
15 property has not been paid, the assessor shall mail a corrected tax
16 bill to the person in whose name the property is listed on the tax
17 roll or to the person's authorized agent. If the tax on the
18 property has been paid, the tax collector for the taxing unit shall
19 refund to the person who paid the tax the amount by which the
20 payment exceeded the tax due.

21 (d) Section 26.112 does not apply to a property for which
22 the tax due is calculated under this section.

23 SECTION 4. This Act applies only to ad valorem taxes imposed
24 for a tax year that begins on or after the effective date of this
25 Act.

26 SECTION 5. This Act takes effect January 1, 2008.