

BILL ANALYSIS

S.B. 469
By: Carona
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 11, Tax Code, sets forth provisions relating to taxable property and exemptions. Section 1-b(i), Article VIII, of the Texas Constitution allows for a complete exemption of the value of a totally disabled veteran's homestead from ad valorem property taxes.

Proposition 9, which passed on the November 2007 ballot, amended the Texas Constitution to authorize the legislature to establish an exemption on the residence homestead of a totally disabled veteran for purposes of property taxation, and aligned the state's property tax exemptions with federal disability ratings. However, the enacting legislation accompanying the constitutional amendment failed to pass.

S.B. 469 amends current law relating to an exemption from ad valorem taxation of the residence homesteads of certain totally disabled veterans and to the amount of the exemption from ad valorem taxation to which a disabled veteran is entitled based on disability rating.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.131, as follows:

Sec. 11.131. RESIDENCE HOMESTEAD OF 100 PERCENT OR TOTALLY DISABLED VETERAN. (a) Defines "disabled veteran" and "residence homestead."

(b) Entitles a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability to an exemption from taxation of the total appraised value of the veteran's residence homestead.

SECTION 2. Amends Section 11.22(a), Tax Code, to amend the schedule under which a disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates as provided by Subsection (f) (relating to an individual receiving an exemption to which he is entitled by this section), rather than Subsection (f) of this section.

SECTION 3. Amends Section 11.43(c), Tax Code, to provide that an exemption provided by Section 11.131 among other certain sections, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) (relating to the failure of a person required to apply for an exemption in a given year except as provided by certain sections), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

SECTION 4. Amends Section 11.431(a), Tax Code, to require the chief appraiser to accept and approve or deny an application for a residence homestead exemption, including a disabled veteran residence homestead exemption, after the deadline for filing it has passed if it is filed not later than one year after the delinquency date for the taxes on the homestead.

SECTION 5. Amends Section 403.302, Government Code, by adding Subsection (d-1), to provide that, for purposes of Subsection (d) (defining "taxable value"), a residence homestead that receives an exemption under Section 11.131, Tax Code, in the year that is the subject of the study is not considered to be taxable property.

SECTION 6. Makes application of Section 11.131, Tax Code, as added by this Act, prospective to a tax year beginning on or after January 1, 2009.

SECTION 7. Effective date: upon passage or September 1, 2009.

EFFECTIVE DATE

Takes immediate effect if it receives two-thirds vote from both houses or September 1, 2009.