

BILL ANALYSIS

Senate Research Center

S.B. 201
By: Uresti et al.
Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 469, 81st Legislature, Regular Session, 2009, provided for property tax exemptions for 100 percent disabled veterans. Some appraisal districts misinterpreted the legislative intent such that if a disabled veteran sold his home, the exemption stayed with the home instead of following the veteran. S.B. 201 clarifies that the exemption should follow the veteran.

S.B. 201 amends current law relating to the calculation of ad valorem taxes on the residence homestead of a 100 percent or totally disabled veteran for the tax year in which the veteran qualifies or ceases to qualify for an exemption from taxation of the homestead.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.42, Tax Code, by adding Subsection (e) to authorize a person who qualifies for an exemption under Section 11.131 (Residence Homestead of 100 Percent or Totally Disabled Veteran) after January 1 of a tax year to receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption.

SECTION 2. Amends Section 26.10, Tax Code, by adding Subsection (c), to provide that if the appraisal roll shows that a residence homestead exemption under Section 11.131 applicable to a property on January 1 of a year terminated during the year, the tax due against the residence homestead is calculated by multiplying the amount of the taxes that otherwise would be imposed on the residence homestead for the entire year had the individual not qualified for the exemption under Section 11.131 during the year by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated.

SECTION 3. Amends Chapter 26, Tax Code, by adding Section 26.1125, as follows:

Sec. 26.1125. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF 100 PERCENT OR TOTALLY DISABLED VETERAN. (a) Provides that if a person qualifies for an exemption under Section 11.131 after the beginning of a tax year, the amount of the taxes on the residence homestead of the person for the tax year is calculated by multiplying the amount of the taxes that otherwise would be imposed on the residence homestead for the entire year had the person not qualified for the exemption under Section 11.131 by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed before the date the person qualified for the exemption under Section 11.131.

(b) Requires the assessor for each taxing unit, if a person qualifies for an exemption under Section 11.131 with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, to recalculate the amount of the tax due on the property and correct the tax roll. Requires the assessor, if the tax bill has been mailed and the tax on the property has not been paid, to mail a

corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. Requires the tax collector for the tax collecting unit, if the tax on the property has been paid, to refund to the person who paid the tax the amount by which the payment exceeded the tax due.

SECTION 4. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 5. Effective date: January 1, 2012.