

BILL ANALYSIS

S.B. 540
By: Van de Putte
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A disabled veteran may currently be entitled to receive an exemption from a portion of the appraised value of the veteran's property according to a certain disability rating schedule. It has been observed that, while the average market value of property in Texas has increased, the exemption dollar amount has remained unchanged, resulting in a dramatic loss of value for the exemption levels with regard to the assessed value of a property a veteran owns. Interested parties contend that, in order to maintain the original intent of the exemption, certain information is needed to consider an adjustment of the exemption amount. S.B. 540 seeks to provide for a study of the fiscal impact of adjusting the amount of the property tax exemption to which disabled veterans and the surviving spouses and children of disabled veterans and certain members of the armed forces are entitled.

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

S.B. 540 requires the comptroller of public accounts to study the fiscal impact on the state and local governments that would have been created during the preceding 10 years by the adjustment of the maximum amount of the property tax exemption to which disabled veterans and the surviving spouses and children of disabled veterans and certain members of the armed forces are entitled to reflect the percentage change from the preceding tax year in the average market value of residence homesteads in the appraisal district in which the property subject to the exemption is located. The bill requires a state agency or local government, at the comptroller's request, to provide information and assistance in conducting the study.

S.B. 540 requires the comptroller, not later than December 1, 2012, to report the results of the study to the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of each house of the legislature with primary jurisdiction over matters affecting tax revenue and veterans affairs. The bill sets its provisions to expire January 1, 2013.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.