

## **BILL ANALYSIS**

H.B. 97  
By: Perry  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Recently, homes have been donated by charitable organizations to returning soldiers who have sustained injuries serving our country. Interested parties contend that such donations have unintentionally resulted in the foreclosure of donated homes because the veterans are unable to pay property taxes on the homes. H.B. 97 seeks to provide a property tax exemption on the donated residence homestead of a disabled veteran with a disability rating of less than 100 percent.

### **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**

H.B. 97 amends the Tax Code to entitle a disabled veteran who has a disability rating of less than 100 percent to an exemption from property taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled veteran. The bill entitles the surviving spouse of a disabled veteran who qualified for the exemption when the disabled veteran died to an exemption from property taxation of the same percentage of the appraised value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried since the death of the disabled veteran and the property was the residence homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse. The bill entitles the surviving spouse, if the spouse subsequently qualifies a different property as the spouse's residence homestead, to an exemption from property taxation of the subsequently qualified homestead in an amount equal to the dollar amount of the exemption from taxation of the former homestead in the last year in which the surviving spouse received an exemption for that residence homestead if the surviving spouse has not remarried since the death of the disabled veteran. The bill entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

H.B. 97 establishes the method for calculating taxes on the donated residence homestead of a disabled veteran or the veteran's surviving spouse. The bill sets the qualification date for the property tax exemptions established by the bill for a disabled veteran or the veteran's surviving spouse and makes applicable to the exemptions certain application requirements for a property tax exemption, including requirements relating to a late application of a homestead exemption. The bill specifies the method for prorating the property tax due against the former residence homestead owned by a disabled veteran or the veteran's surviving spouse if the owner's exemption under the bill's provisions terminated during a tax year and the owner qualifies a different property for the exemption. The bill expands the eligibility for an individual to pay

taxes on the individual's residence homestead in installment payments to include a disabled veteran and the unmarried surviving spouse of a disabled veteran entitled to the property tax exemption established by the bill.

**EFFECTIVE DATE**

January 1, 2014, if the constitutional amendment authorizing the legislature to provide for an exemption from property taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization is approved by the voters.