

By: Lucio III

H.B. No. 242

A BILL TO BE ENTITLED

AN ACT

relating to a local option exemption from ad valorem taxation by a county of a portion of the value of the residence homestead of a veteran who has been honorably discharged.

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

SECTION 1. Section 11.13, Tax Code, is amended by amending Subsection (i) and adding Subsection (u) to read as follows:

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), ~~or~~ (n), or (u) ~~[of this section]~~ and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(u) A veteran of the United States armed services who has been honorably discharged from the branch of service in which the individual served is entitled to an exemption from taxation by a county of \$10,000, or a greater amount provided by action of the commissioners court of the county as permitted by Section 1-b(p), Article VIII, Texas Constitution, of the appraised value of the veteran's residence homestead if the exemption is adopted by the commissioners court of the county before July 1 in the manner

1 provided by law for official action by the commissioners court. A
2 veteran who qualifies for an exemption under this subsection and
3 under Subsection (d) may not receive both of those exemptions, but
4 is entitled to receive the exemption in the greater amount.

5 SECTION 2. Section 11.42(c), Tax Code, is amended to read as
6 follows:

7 (c) An exemption authorized by Section 11.13(c), ~~or~~ (d),
8 or (u) or 11.132 is effective as of January 1 of the tax year in
9 which the person qualifies for the exemption and applies to the
10 entire tax year.

11 SECTION 3. Section 26.10(b), Tax Code, is amended to read as
12 follows:

13 (b) If the appraisal roll shows that a residence homestead
14 exemption under Section 11.13(c), ~~or~~ (d), or (u) or 11.132
15 applicable to a property on January 1 of a year terminated during
16 the year and if the owner of the property qualifies a different
17 property for one of those residence homestead exemptions during the
18 same year, the tax due against the former residence homestead is
19 calculated by:

20 (1) subtracting:

21 (A) the amount of the taxes that otherwise would
22 be imposed on the former residence homestead for the entire year had
23 the owner qualified for the residence homestead exemption for the
24 entire year; from

25 (B) the amount of the taxes that otherwise would
26 be imposed on the former residence homestead for the entire year had
27 the owner not qualified for the residence homestead exemption

1 during the year;

2 (2) multiplying the remainder determined under
3 Subdivision (1) by a fraction, the denominator of which is 365 and
4 the numerator of which is the number of days that elapsed after the
5 date the exemption terminated; and

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

8 SECTION 4. Section 26.112, Tax Code, is amended to read as
9 follows:

10 Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF
11 CERTAIN PERSONS. (a) Except as provided by Section 26.10(b), if at
12 any time during a tax year property is owned by an individual who
13 qualifies for an exemption under Section 11.13(c), ~~[or]~~ (d), or (u)
14 or 11.132, the amount of the tax due on the property for the tax year
15 is calculated as if the individual qualified for the exemption on
16 January 1 and continued to qualify for the exemption for the
17 remainder of the tax year.

18 (b) If an individual qualifies for an exemption under
19 Section 11.13(c), ~~[or]~~ (d), or (u) or 11.132 with respect to the
20 property after the amount of the tax due on the property is
21 calculated and the effect of the qualification is to reduce the
22 amount of the tax due on the property, the assessor for each taxing
23 unit shall recalculate the amount of the tax due on the property and
24 correct the tax roll. If the tax bill has been mailed and the tax on
25 the property has not been paid, the assessor shall mail a corrected
26 tax bill to the person in whose name the property is listed on the
27 tax roll or to the person's authorized agent. If the tax on the

1 property has been paid, the tax collector for the taxing unit shall
2 refund to the person who paid the tax the amount by which the
3 payment exceeded the tax due.

4 SECTION 5. This Act applies only to ad valorem taxes imposed
5 for a tax year that begins on or after the effective date of this
6 Act.

7 SECTION 6. This Act takes effect January 1, 2016, but only
8 if the constitutional amendment proposed by the 84th Legislature,
9 Regular Session, 2015, authorizing a local option exemption from ad
10 valorem taxation by a county of a portion of the value of the
11 residence homestead of a veteran of the United States armed
12 services who has been honorably discharged is approved by the
13 voters. If that amendment is not approved by the voters, this Act
14 has no effect.