

By: Lucio III

H.B. No. 242

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a local option exemption from ad valorem taxation by a  
3 county of a portion of the value of the residence homestead of a  
4 veteran who has been honorably discharged.

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

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

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

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

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

17 (u) A veteran of the United States armed services who has  
18 been honorably discharged from the branch of service in which the  
19 individual served is entitled to an exemption from taxation by a  
20 county of \$10,000, or a greater amount provided by action of the  
21 commissioners court of the county as permitted by Section 1-b(p),  
22 Article VIII, Texas Constitution, of the appraised value of the  
23 veteran's residence homestead if the exemption is adopted by the  
24 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), ~~(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), ~~(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.