

A BILL TO BE ENTITLED

AN ACT

relating to a local option exemption from ad valorem taxation of a portion of the appraised value of real property of a business that employs honorably discharged veterans.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.37 to read as follows:

Sec. 11.37. CERTAIN BUSINESSES EMPLOYING VETERANS. (a) In this section:

(1) "Qualifying business" means a business located in this state that on or after January 1, 2016:

(A) hires at least one veteran; and

(B) provides full-time employment to that veteran for a period of at least 12 consecutive months.

(2) "Qualifying property" means real property located in this state that is owned by, and used primarily for the business purposes of, a qualifying business.

(3) "Veteran" means an individual who:

(A) has served on active duty in the armed forces of the United States; and

(B) was honorably discharged from military service.

(b) Subject to Subsection (d), the governing body of a taxing unit may agree in writing with the owner of a qualifying

1 business to exempt from taxation a portion of the appraised value of
2 the owner's qualifying property for a period not to exceed 10 years,
3 on the condition that, during that period, the owner of the property
4 meets or exceeds goals for the employment of one or more veterans.
5 The amount of the exemption may not exceed \$15,000 of the appraised
6 value of the qualifying property for each veteran employed by the
7 qualifying business.

8 (c) Before entering into a tax exemption agreement under
9 Subsection (b), the governing body of a taxing unit shall adopt
10 guidelines and criteria for such agreements. The guidelines and
11 criteria adopted under this subsection:

12 (1) are effective until the second anniversary of the
13 date of their adoption by the governing body;

14 (2) must include the minimum exemption amount to which
15 a qualifying business is entitled; and

16 (3) may provide for different exemption amounts based
17 on reasonable factors, including the amount of compensation paid to
18 each veteran employed and whether the veteran receives certain
19 employment benefits.

20 (d) The governing body of a taxing unit may not enter into a
21 tax exemption agreement under Subsection (b) unless the governing
22 body finds that the terms of the agreement and the property subject
23 to the agreement meet the guidelines and criteria adopted by the
24 governing body under Subsection (c).

25 (e) A tax exemption agreement under this section is subject
26 to the rights of holders of the outstanding bonds of the taxing
27 unit.

1 SECTION 2. Section 11.43(c), Tax Code, is amended to read as
2 follows:

3 (c) An exemption provided by Section 11.13, 11.131, 11.132,
4 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22,
5 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30,
6 11.31, ~~[or]~~ 11.315, or 11.37, once allowed, need not be claimed in
7 subsequent years, and except as otherwise provided by Subsection
8 (e), the exemption applies to the property until it changes
9 ownership or the person's qualification for the exemption changes.
10 However, the chief appraiser may require a person allowed one of the
11 exemptions in a prior year to file a new application to confirm the
12 person's current qualification for the exemption by delivering a
13 written notice that a new application is required, accompanied by
14 an appropriate application form, to the person previously allowed
15 the exemption.

16 SECTION 3. This Act applies only to ad valorem taxes imposed
17 for a tax year that begins on or after the effective date of this
18 Act.

19 SECTION 4. This Act takes effect January 1, 2016, but only
20 if the constitutional amendment proposed by the 84th Legislature,
21 Regular Session, 2015, authorizing the governing body of a
22 political subdivision to adopt a local option exemption from ad
23 valorem taxation of a portion, expressed as a dollar amount, of the
24 market value of real property of a business that employs honorably
25 discharged veterans is approved by the voters. If that amendment is
26 not approved by the voters, this Act has no effect.