

BILL ANALYSIS

H.B. 72
By: Bohac
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties suggest that veterans who have been awarded the federal or Texas Purple Heart Medal deserve property tax relief for their service beyond the exemption for certain disabled veterans. H.B. 72 seeks to create an exemption from property taxation of the residence homestead of a Purple Heart recipient and the surviving spouse of a Purple Heart recipient.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 72 amends the Tax Code to entitle a recipient of the federal or Texas Purple Heart Medal to an exemption from taxation of the total appraised value of the recipient's residence homestead and to extend this exemption to the recipient's surviving spouse for the same property if the surviving spouse has not remarried since the recipient's death and the property was the surviving spouse's residence homestead when the recipient died and remains the surviving spouse's residence homestead. If a surviving spouse who qualifies for an exemption subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is entitled to an exemption from 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 that exemption if the surviving spouse has not remarried since the death of the Purple Heart recipient. 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. 72 authorizes a person who qualifies for the Purple Heart recipient residence homestead property tax exemption after January 1 of a tax year to receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption. The bill establishes that the property tax exemption, once allowed, need not be claimed in subsequent years and applies to the property until it changes ownership or the person's qualification for the exemption changes, subject to certain conditions. The bill subjects the exemption to statutory provisions relating to a late application for certain homestead exemptions and the proration of taxes following the loss of a homestead exemption.

H.B. 72 makes statutory provisions relating to the calculation of taxes on the residence

homestead of a 100 percent or totally disabled veteran applicable to the calculation of taxes on the residence homestead of a person who qualifies for an exemption as a Purple Heart recipient or as the surviving spouse of a Purple Heart recipient.

H.B. 72 amends the Government Code to establish that a residence homestead that receives the exemption established by the bill in the year that is the subject of a study of school district property values conducted by the comptroller of public accounts is not considered to be taxable property for purposes of the study.

H.B. 72 amends the Local Government Code to include the cost of the exemption established by the bill among certain costs associated with property tax relief for which a qualified local government is eligible for an assistance payment from the state.

EFFECTIVE DATE

January 1, 2018, if the constitutional amendment authorizing the legislature to provide for an exemption from property taxation of all or part of the market value of the residence homestead of a Purple Heart recipient or the surviving spouse of a Purple Heart recipient is approved by the voters.