

By: Bohac

H.B. No. 72

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from ad valorem taxation of the residence
3 homestead of a Purple Heart recipient or the surviving spouse of a
4 Purple Heart recipient.

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

6 SECTION 1. This Act may be cited as the Purple Heart
7 Homestead Act.

8 SECTION 2. Subchapter B, Chapter 11, Tax Code, is amended by
9 adding Section 11.137 to read as follows:

10 Sec. 11.137. RESIDENCE HOMESTEAD OF PURPLE HEART RECIPIENT.

11 (a) In this section:

12 (1) "Purple Heart recipient" means a person who has
13 been awarded the federal or Texas Purple Heart Medal.

14 (2) "Residence homestead" has the meaning assigned by
15 Section 11.13.

16 (3) "Surviving spouse" means the individual who was
17 married to a Purple Heart recipient at the time of the Purple Heart
18 recipient's death.

19 (b) A Purple Heart recipient is entitled to an exemption
20 from taxation of the total appraised value of the Purple Heart
21 recipient's residence homestead.

22 (c) The surviving spouse of a Purple Heart recipient who
23 qualified for an exemption under Subsection (b) when the Purple
24 Heart recipient died is entitled to an exemption from taxation of

1 the total appraised value of the same property to which the Purple
2 Heart recipient's exemption applied if:

3 (1) the surviving spouse has not remarried since the
4 death of the Purple Heart recipient; and

5 (2) the property:

6 (A) was the residence homestead of the surviving
7 spouse when the Purple Heart recipient died; and

8 (B) remains the residence homestead of the
9 surviving spouse.

10 (d) If a surviving spouse who qualifies for an exemption
11 under Subsection (c) subsequently qualifies a different property as
12 the surviving spouse's residence homestead, the surviving spouse is
13 entitled to an exemption from taxation of the subsequently
14 qualified homestead in an amount equal to the dollar amount of the
15 exemption from taxation of the former homestead under Subsection
16 (c) in the last year in which the surviving spouse received an
17 exemption under that subsection for that homestead if the surviving
18 spouse has not remarried since the death of the Purple Heart
19 recipient. The surviving spouse is entitled to receive from the
20 chief appraiser of the appraisal district in which the former
21 residence homestead was located a written certificate providing the
22 information necessary to determine the amount of the exemption to
23 which the surviving spouse is entitled on the subsequently
24 qualified homestead.

25 SECTION 3. Section 11.42(e), Tax Code, is amended to read as
26 follows:

27 (e) A person who qualifies for an exemption under Section

1 [11.131](#) or [11.137](#) after January 1 of a tax year may receive the
2 exemption for the applicable portion of that tax year immediately
3 on qualification for the exemption.

4 SECTION 4. (a) This section takes effect only if the
5 constitutional amendment proposed by S.J.R. 1, 85th Legislature,
6 Regular Session, 2017, is approved by the voters.

7 (b) Section [11.43](#)(c), Tax Code, as amended by H.B. 1101,
8 Acts of the 85th Legislature, Regular Session, 2017, effective
9 January 1, 2018, and S.B. 15, Acts of the 85th Legislature, Regular
10 Session, 2017, effective January 1, 2018, is amended to read as
11 follows:

12 (c) An exemption provided by Section [11.13](#), [11.131](#), [11.132](#),
13 [11.133](#), [11.134](#), [11.137](#), [11.17](#), [11.18](#), [11.182](#), [11.1827](#), [11.183](#),
14 [11.19](#), [11.20](#), [11.21](#), [11.22](#), [11.23](#)(a), (h), (j), (j-1), or (m),
15 [11.231](#), [11.254](#), [11.27](#), [11.271](#), [11.29](#), [11.30](#), [11.31](#), or [11.315](#), once
16 allowed, need not be claimed in subsequent years, and except as
17 otherwise provided by Subsection (e), the exemption applies to the
18 property until it changes ownership or the person's qualification
19 for the exemption changes. However, except as provided by
20 Subsection (r), the chief appraiser may require a person allowed
21 one of the exemptions in a prior year to file a new application to
22 confirm the person's current qualification for the exemption by
23 delivering a written notice that a new application is required,
24 accompanied by an appropriate application form, to the person
25 previously allowed the exemption. If the person previously allowed
26 the exemption is 65 years of age or older, the chief appraiser may
27 not cancel the exemption due to the person's failure to file the new

1 application unless the chief appraiser complies with the
2 requirements of Subsection (q), if applicable.

3 (c) Section 11.431(a), Tax Code, as amended by H.B. 626,
4 Acts of the 85th Legislature, Regular Session, 2017, effective
5 September 1, 2017, and S.B. 15, Acts of the 85th Legislature,
6 Regular Session, 2017, effective January 1, 2018, is amended to
7 read as follows:

8 (a) The chief appraiser shall accept and approve or deny an
9 application for a residence homestead exemption, including an
10 exemption under Section 11.131 or 11.132 for the residence
11 homestead of a disabled veteran or the surviving spouse of a
12 disabled veteran, an exemption under Section 11.133 for the
13 residence homestead of the surviving spouse of a member of the armed
14 services of the United States who is killed in action, ~~or~~ an
15 exemption under Section 11.134 for the residence homestead of the
16 surviving spouse of a first responder who is killed or fatally
17 injured in the line of duty, or an exemption under Section 11.137
18 for the residence homestead of a Purple Heart recipient or the
19 surviving spouse of a Purple Heart recipient, after the deadline
20 for filing it has passed if it is filed not later than two years
21 after the delinquency date for the taxes on the homestead.

22 (d) Section 403.302(d-1), Government Code, as amended by
23 S.B. 15, Acts of the 85th Legislature, Regular Session, 2017,
24 effective January 1, 2018, is amended to read as follows:

25 (d-1) For purposes of Subsection (d), a residence homestead
26 that receives an exemption under Section 11.131, 11.133, ~~or~~
27 11.134, or 11.137, Tax Code, in the year that is the subject of the

1 study is not considered to be taxable property.

2 SECTION 5. (a) This section takes effect only if the
3 constitutional amendment proposed by S.J.R. 1, 85th Legislature,
4 Regular Session, 2017, is not approved by the voters.

5 (b) Section 11.43(c), Tax Code, as amended by H.B. 1101,
6 Acts of the 85th Legislature, Regular Session, 2017, effective
7 January 1, 2018, is amended to read as follows:

8 (c) An exemption provided by Section 11.13, 11.131, 11.132,
9 11.133, 11.137, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
10 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
11 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once
12 allowed, need not be claimed in subsequent years, and except as
13 otherwise provided by Subsection (e), the exemption applies to the
14 property until it changes ownership or the person's qualification
15 for the exemption changes. However, except as provided by
16 Subsection (r), the chief appraiser may require a person allowed
17 one of the exemptions in a prior year to file a new application to
18 confirm the person's current qualification for the exemption by
19 delivering a written notice that a new application is required,
20 accompanied by an appropriate application form, to the person
21 previously allowed the exemption. If the person previously allowed
22 the exemption is 65 years of age or older, the chief appraiser may
23 not cancel the exemption due to the person's failure to file the new
24 application unless the chief appraiser complies with the
25 requirements of Subsection (q), if applicable.

26 (c) Section 11.431(a), Tax Code, as amended by H.B. 626,
27 Acts of the 85th Legislature, Regular Session, 2017, effective

1 September 1, 2017, is amended to read as follows:

2 (a) The chief appraiser shall accept and approve or deny an
3 application for a residence homestead exemption, including an
4 exemption under Section 11.131 or 11.132 for the residence
5 homestead of a disabled veteran or the surviving spouse of a
6 disabled veteran, ~~or~~ an exemption under Section 11.133 for the
7 residence homestead of the surviving spouse of a member of the armed
8 services of the United States who is killed in action, or an
9 exemption under Section 11.137 for the residence homestead of a
10 Purple Heart recipient or the surviving spouse of a Purple Heart
11 recipient, after the deadline for filing it has passed if it is
12 filed not later than two years after the delinquency date for the
13 taxes on the homestead.

14 (d) Section 403.302(d-1), Government Code, is amended to
15 read as follows:

16 (d-1) For purposes of Subsection (d), a residence homestead
17 that receives an exemption under Section 11.131, ~~or~~ 11.133, or
18 11.137, Tax Code, in the year that is the subject of the study is not
19 considered to be taxable property.

20 SECTION 6. Section 26.10(c), Tax Code, is amended to read as
21 follows:

22 (c) If the appraisal roll shows that a residence homestead
23 exemption under Section 11.131 or 11.137 applicable to a property
24 on January 1 of a year terminated during the year, the tax due
25 against the residence homestead is calculated by multiplying the
26 amount of the taxes that otherwise would be imposed on the residence
27 homestead for the entire year had the individual not qualified for

1 the residence homestead exemption [~~under Section 11.131~~] during the
2 year by a fraction, the denominator of which is 365 and the
3 numerator of which is the number of days that elapsed after the date
4 the exemption terminated.

5 SECTION 7. Section 26.1125, Tax Code, is amended to read as
6 follows:

7 Sec. 26.1125. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD
8 OF 100 PERCENT OR TOTALLY DISABLED VETERAN OR PURPLE HEART
9 RECIPIENT. (a) If a person qualifies for an exemption under
10 Section 11.131 or 11.137 after the beginning of a tax year, the
11 amount of the taxes on the residence homestead of the person for the
12 tax year is calculated by multiplying the amount of the taxes that
13 otherwise would be imposed on the residence homestead for the
14 entire year had the person not qualified for the applicable
15 exemption [~~under Section 11.131~~] by a fraction, the denominator of
16 which is 365 and the numerator of which is the number of days that
17 elapsed before the date the person qualified for the applicable
18 exemption [~~under Section 11.131~~].

19 (b) If a person qualifies for an exemption under Section
20 11.131 or 11.137 with respect to the property after the amount of
21 the tax due on the property is calculated and the effect of the
22 qualification is to reduce the amount of the tax due on the
23 property, the assessor for each taxing unit shall recalculate the
24 amount of the tax due on the property and correct the tax roll. If
25 the tax bill has been mailed and the tax on the property has not been
26 paid, the assessor shall mail a corrected tax bill to the person in
27 whose name the property is listed on the tax roll or to the person's

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

4 SECTION 8. The heading to Section 140.011, Local Government
5 Code, is amended to read as follows:

6 Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY
7 AFFECTED BY PROPERTY TAX RELIEF FOR CERTAIN MILITARY SERVICE
8 MEMBERS AND [DISABLED] VETERANS.

9 SECTION 9. Section 140.011(a)(3), Local Government Code, is
10 amended to read as follows:

11 (3) "Qualified local government" means a local
12 government entitled to a military exemption [~~disabled veteran~~]
13 assistance payment under this section.

14 SECTION 10. Sections 140.011(b), (c), (d), (e), (f), and
15 (g), Local Government Code, are amended to read as follows:

16 (b) To serve the state purpose of ensuring that the cost of
17 providing ad valorem tax relief to certain military service members
18 and [disabled] veterans is shared equitably among the residents of
19 this state, a local government is entitled to a military exemption
20 [~~disabled veteran~~] assistance payment from the state for each
21 fiscal year that the local government is a qualified local
22 government. A local government is a qualified local government for
23 a fiscal year if the amount of lost ad valorem tax revenue
24 calculated under Subsection (c) for that fiscal year is equal to or
25 greater than two percent of the local government's general fund
26 revenue for that fiscal year.

27 (c) For the purposes of this section, the amount of a local

1 government's lost ad valorem tax revenue for a fiscal year is
2 calculated by multiplying the ad valorem tax rate adopted by the
3 local government under Section 26.05, Tax Code, for the tax year in
4 which the fiscal year begins by the total appraised value of all
5 property located in the local government that is granted an
6 exemption from taxation under Section 11.131 or 11.137, Tax Code,
7 for that tax year.

8 (d) A military exemption [~~disabled veteran~~] assistance
9 payment made to a qualified local government for a fiscal year is
10 calculated by subtracting from the local government's lost ad
11 valorem tax revenue calculated under Subsection (c) for that fiscal
12 year an amount equal to one percent of the local government's
13 general fund revenue for that fiscal year.

14 (e) Not later than April 1 of the first year following the
15 end of a fiscal year for which a qualified local government is
16 entitled to a military exemption [~~disabled veteran~~] assistance
17 payment, a qualified local government may submit an application to
18 the comptroller to receive a military exemption [~~disabled veteran~~]
19 assistance payment for that fiscal year. The application must be
20 made on a form prescribed by the comptroller. The comptroller may
21 require the qualified local government to submit an independent
22 audit otherwise required by law to be prepared for the local
23 government for the fiscal year for which a qualified local
24 government is entitled to the payment.

25 (f) A qualified local government that does not submit an
26 application to the comptroller by the date prescribed by Subsection
27 (e) is not entitled to a military exemption [~~disabled veteran~~]

1 assistance payment for the fiscal year for which that deadline
2 applies.

3 (g) The comptroller shall review each application by a local
4 government to determine whether the local government is entitled to
5 a military exemption [~~disabled veteran~~] assistance payment. If
6 the comptroller determines that the local government is entitled to
7 the payment, the comptroller shall remit the payment from available
8 funds to the qualified local government not later than the 30th day
9 after the date the application for the payment is made.

10 SECTION 11. Section 11.137, Tax Code, as added by this Act,
11 applies only to ad valorem taxes imposed for a tax year beginning on
12 or after January 1, 2018.

13 SECTION 12. This Act takes effect January 1, 2018, but only
14 if the constitutional amendment proposed by the 85th Legislature,
15 1st Called Session, 2017, authorizing the legislature to provide
16 for an exemption from ad valorem taxation of all or part of the
17 market value of the residence homestead of a Purple Heart recipient
18 or the surviving spouse of a Purple Heart recipient is approved by
19 the voters. If that constitutional amendment is not approved by the
20 voters, this Act has no effect.