

By: Leach

H.B. No. 129

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption from ad valorem taxation of part of the  
3 appraised value of the residence homestead of a partially disabled  
4 veteran or the surviving spouse of a partially disabled veteran  
5 based on the disability rating of the veteran.

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

7 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
8 adding Section 11.136 to read as follows:

9 Sec. 11.136. RESIDENCE HOMESTEAD OF CERTAIN PARTIALLY  
10 DISABLED VETERANS. (a) In this section:

11 (1) "Disability rating" and "disabled veteran" have  
12 the meanings assigned by Section 11.22.

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

15 (3) "Surviving spouse" has the meaning assigned by  
16 Section 11.131.

17 (b) A disabled veteran who has a disability rating of at  
18 least 80 percent but less than 100 percent is entitled to an  
19 exemption from taxation of a percentage of the appraised value of  
20 the disabled veteran's residence homestead equal to the disabled  
21 veteran's disability rating.

22 (c) The surviving spouse of a disabled veteran who qualified  
23 for an exemption under Subsection (b) of a percentage of the  
24 appraised value of the disabled veteran's residence homestead when

1 the disabled veteran died is entitled to an exemption from taxation  
2 of the same percentage of the appraised value of the same property  
3 to which the disabled veteran's exemption applied if:

4 (1) the surviving spouse has not remarried since the  
5 death of the disabled veteran; and

6 (2) the property:

7 (A) was the residence homestead of the surviving  
8 spouse when the disabled veteran died; and

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

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

26 SECTION 2. (a) This section takes effect only if the  
27 constitutional amendment proposed by S.J.R. 1, 85th Legislature,

1 Regular Session, 2017, is approved by the voters.

2 (b) Section 11.42(c), Tax Code, as amended by S.B. 15, Acts  
3 of the 85th Legislature, Regular Session, 2017, effective January  
4 1, 2018, is amended to read as follows:

5 (c) An exemption authorized by Section 11.13(c) or (d),  
6 11.132, 11.133, ~~or~~ 11.134, or 11.136 is effective as of January 1  
7 of the tax year in which the person qualifies for the exemption and  
8 applies to the entire tax year.

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

14 (c) An exemption provided by Section 11.13, 11.131, 11.132,  
15 11.133, 11.134, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183,  
16 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),  
17 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once  
18 allowed, need not be claimed in subsequent years, and except as  
19 otherwise provided by Subsection (e), the exemption applies to the  
20 property until it changes ownership or the person's qualification  
21 for the exemption changes. However, except as provided by  
22 Subsection (r), the chief appraiser may require a person allowed  
23 one of the exemptions in a prior year to file a new application to  
24 confirm the person's current qualification for the exemption by  
25 delivering a written notice that a new application is required,  
26 accompanied by an appropriate application form, to the person  
27 previously allowed the exemption. If the person previously allowed

1 the exemption is 65 years of age or older, the chief appraiser may  
2 not cancel the exemption due to the person's failure to file the new  
3 application unless the chief appraiser complies with the  
4 requirements of Subsection (q), if applicable.

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

10 (a) The chief appraiser shall accept and approve or deny an  
11 application for a residence homestead exemption, including an  
12 exemption under Section [11.131](#), ~~or~~ [11.132](#), or [11.136](#) for the  
13 residence homestead of a disabled veteran or the surviving spouse  
14 of a disabled veteran, an exemption under Section [11.133](#) for the  
15 residence homestead of the surviving spouse of a member of the armed  
16 services of the United States who is killed in action, or an  
17 exemption under Section [11.134](#) for the residence homestead of the  
18 surviving spouse of a first responder who is killed or fatally  
19 injured in the line of duty, after the deadline for filing it has  
20 passed if it is filed not later than two years after the delinquency  
21 date for the taxes on the homestead.

22 (e) Section [26.10\(b\)](#), Tax Code, as amended by S.B. 15, Acts  
23 of the 85th Legislature, Regular Session, 2017, effective January  
24 1, 2018, is amended to read as follows:

25 (b) If the appraisal roll shows that a residence homestead  
26 exemption under Section [11.13\(c\)](#) or (d), [11.132](#), [11.133](#), ~~or~~  
27 [11.134](#), or [11.136](#) applicable to a property on January 1 of a year

1 terminated during the year and if the owner of the property  
2 qualifies a different property for one of those residence homestead  
3 exemptions during the same year, the tax due against the former  
4 residence homestead is calculated by:

5 (1) subtracting:

6 (A) the amount of the taxes that otherwise would  
7 be imposed on the former residence homestead for the entire year had  
8 the owner qualified for the residence homestead exemption for the  
9 entire year; from

10 (B) the amount of the taxes that otherwise would  
11 be imposed on the former residence homestead for the entire year had  
12 the owner not qualified for the residence homestead exemption  
13 during the year;

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

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

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

23 (b) Section 11.42(c), Tax Code, is amended to read as  
24 follows:

25 (c) An exemption authorized by Section 11.13(c) or (d),  
26 11.132, [~~or~~ 11.133], or 11.136 is effective as of January 1 of the  
27 tax year in which the person qualifies for the exemption and applies

1 to the entire tax year.

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

5 (c) An exemption provided by Section 11.13, 11.131, 11.132,  
6 11.133, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,  
7 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,  
8 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once  
9 allowed, need not be claimed in subsequent years, and except as  
10 otherwise provided by Subsection (e), the exemption applies to the  
11 property until it changes ownership or the person's qualification  
12 for the exemption changes. However, except as provided by  
13 Subsection (r), the chief appraiser may require a person allowed  
14 one of the exemptions in a prior year to file a new application to  
15 confirm the person's current qualification for the exemption by  
16 delivering a written notice that a new application is required,  
17 accompanied by an appropriate application form, to the person  
18 previously allowed the exemption. If the person previously allowed  
19 the exemption is 65 years of age or older, the chief appraiser may  
20 not cancel the exemption due to the person's failure to file the new  
21 application unless the chief appraiser complies with the  
22 requirements of Subsection (q), if applicable.

23 (d) Section 11.431(a), Tax Code, as amended by H.B. 626,  
24 Acts of the 85th Legislature, Regular Session, 2017, effective  
25 September 1, 2017, is amended to read as follows:

26 (a) The chief appraiser shall accept and approve or deny an  
27 application for a residence homestead exemption, including an

1 exemption under Section 11.131, [~~or~~] 11.132, or 11.136 for the  
2 residence homestead of a disabled veteran or the surviving spouse  
3 of a disabled veteran or an exemption under Section 11.133 for the  
4 residence homestead of the surviving spouse of a member of the armed  
5 services of the United States who is killed in action, after the  
6 deadline for filing it has passed if it is filed not later than two  
7 years after the delinquency date for the taxes on the homestead.

8 (e) Section 26.10(b), Tax Code, is amended to read as  
9 follows:

10 (b) If the appraisal roll shows that a residence homestead  
11 exemption under Section 11.13(c) or (d), 11.132, [~~or~~] 11.133, or  
12 11.136 applicable to a property on January 1 of a year terminated  
13 during the year and if the owner of the property qualifies a  
14 different property for one of those residence homestead exemptions  
15 during the same year, the tax due against the former residence  
16 homestead is calculated by:

17 (1) subtracting:

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

22 (B) the amount of the taxes that otherwise would  
23 be imposed on the former residence homestead for the entire year had  
24 the owner not qualified for the residence homestead exemption  
25 during the year;

26 (2) multiplying the remainder determined under  
27 Subdivision (1) by a fraction, the denominator of which is 365 and

1 the numerator of which is the number of days that elapsed after the  
2 date the exemption terminated; and

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

5 SECTION 4. Section 11.43(k), Tax Code, is amended to read as  
6 follows:

7 (k) A person who qualifies for an exemption authorized by  
8 Section 11.13(c) or (d), ~~[or]~~ 11.132, or 11.136 must apply for the  
9 exemption no later than the first anniversary of the date the person  
10 qualified for the exemption.

11 SECTION 5. Section 26.1127, Tax Code, is amended to read as  
12 follows:

13 Sec. 26.1127. CALCULATION OF TAXES ON ~~[DONATED]~~ RESIDENCE  
14 HOMESTEAD OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~ OR SURVIVING  
15 SPOUSE OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~. (a) Except as  
16 provided by Section 26.10(b), if at any time during a tax year  
17 property is owned by an individual who qualifies for an exemption  
18 under Section 11.132 or 11.136, the amount of the tax due on the  
19 property for the tax year is calculated as if the individual  
20 qualified for the exemption on January 1 and continued to qualify  
21 for the exemption for the remainder of the tax year.

22 (b) If an individual qualifies for an exemption under  
23 Section 11.132 or 11.136 with respect to the property after the  
24 amount of the tax due on the property is calculated and the effect  
25 of the qualification is to reduce the amount of the tax due on the  
26 property, the assessor for each taxing unit shall recalculate the  
27 amount of the tax due on the property and correct the tax roll. If



1 the tax bill has been mailed and the tax on the property has not been  
2 paid, the assessor shall mail a corrected tax bill to the individual  
3 in whose name the property is listed on the tax roll or to the  
4 individual's authorized agent. If the tax on the property has been  
5 paid, the tax collector for the taxing unit shall refund to the  
6 individual who paid the tax the amount by which the payment exceeded  
7 the tax due.

8 SECTION 6. Section 31.031(a), Tax Code, as reenacted by  
9 S.B. 1047, Acts of the 85th Legislature, Regular Session, 2017,  
10 effective January 1, 2018, is amended to read as follows:

11 (a) This section applies only to:

12 (1) an individual who is:

13 (A) disabled or at least 65 years of age; and

14 (B) qualified for an exemption under Section  
15 11.13(c); or

16 (2) an individual who is:

17 (A) a disabled veteran or the unmarried surviving  
18 spouse of a disabled veteran; and

19 (B) qualified for an exemption under Section  
20 11.132, 11.136, or 11.22.

21 SECTION 7. This Act applies only to ad valorem taxes imposed  
22 for an ad valorem tax year that begins on or after the effective  
23 date of this Act.

24 SECTION 8. This Act takes effect January 1, 2018, but only  
25 if the constitutional amendment proposed by the 85th Legislature,  
26 1st Called Session, 2017, authorizing the legislature to provide  
27 for an exemption from ad valorem taxation of part of the market

1 value of the residence homestead of a partially disabled veteran or  
2 the surviving spouse of a partially disabled veteran based on the  
3 disability rating of the veteran and harmonizing certain related  
4 provisions of the constitution is approved by the voters. If that  
5 amendment is not approved by the voters, this Act has no effect.