

By: Bohac, Shine

H.B. No. 1591

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. Subchapter B, Chapter 11, Tax Code, is amended by
7 adding Section 11.134 to read as follows:

8 Sec. 11.134. RESIDENCE HOMESTEAD OF PURPLE HEART RECIPIENT.

9 (a) In this section:

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

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

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

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

20 (c) The surviving spouse of a Purple Heart recipient who
21 qualified for an exemption under Subsection (b) when the Purple
22 Heart recipient died is entitled to an exemption from taxation of
23 the total appraised value of the same property to which the Purple
24 Heart recipient's exemption applied if:

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

3 (2) the property:

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

6 (B) remains the residence homestead of the
7 surviving spouse.

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

23 SECTION 2. Section [11.42](#)(e), Tax Code, is amended to read as
24 follows:

25 (e) A person who qualifies for an exemption under Section
26 [11.131](#) or [11.134](#) after January 1 of a tax year may receive the
27 exemption for the applicable portion of that tax year immediately

1 on qualification for the exemption.

2 SECTION 3. Section 11.43(c), Tax Code, is amended to read as
3 follows:

4 (c) An exemption provided by Section 11.13, 11.131, 11.132,
5 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
6 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
7 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once
8 allowed, need not be claimed in subsequent years, and except as
9 otherwise provided by Subsection (e), the exemption applies to the
10 property until it changes ownership or the person's qualification
11 for the exemption changes. However, the chief appraiser may
12 require a person allowed one of the exemptions in a prior year to
13 file a new application to confirm the person's current
14 qualification for the exemption by delivering a written notice that
15 a new application is required, accompanied by an appropriate
16 application form, to the person previously allowed the exemption.
17 If the person previously allowed the exemption is 65 years of age or
18 older, the chief appraiser may not cancel the exemption due to the
19 person's failure to file the new application unless the chief
20 appraiser complies with the requirements of Subsection (q), if
21 applicable.

22 SECTION 4. Section 11.431(a), Tax Code, is amended to read
23 as follows:

24 (a) The chief appraiser shall accept and approve or deny an
25 application for a residence homestead exemption, including an
26 exemption under Section 11.131 or 11.132 for the residence
27 homestead of a disabled veteran or the surviving spouse of a

1 disabled veteran, ~~[or]~~ an exemption under Section 11.133 for the
2 residence homestead of the surviving spouse of a member of the armed
3 services of the United States who is killed in action, or an
4 exemption under Section 11.134 for the residence homestead of a
5 Purple Heart recipient or the surviving spouse of a Purple Heart
6 recipient, after the deadline for filing it has passed if it is
7 filed not later than one year after the delinquency date for the
8 taxes on the homestead.

9 SECTION 5. Section 26.10(c), Tax Code, is amended to read as
10 follows:

11 (c) If the appraisal roll shows that a residence homestead
12 exemption under Section 11.131 or 11.134 applicable to a property
13 on January 1 of a year terminated during the year, the tax due
14 against the residence homestead is calculated by multiplying the
15 amount of the taxes that otherwise would be imposed on the residence
16 homestead for the entire year had the individual not qualified for
17 the residence homestead exemption [~~under Section 11.131~~] during the
18 year by a fraction, the denominator of which is 365 and the
19 numerator of which is the number of days that elapsed after the date
20 the exemption terminated.

21 SECTION 6. Section 26.1125, Tax Code, is amended to read as
22 follows:

23 Sec. 26.1125. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD
24 OF 100 PERCENT OR TOTALLY DISABLED VETERAN OR PURPLE HEART
25 RECIPIENT. (a) If a person qualifies for an exemption under
26 Section 11.131 or 11.134 after the beginning of a tax year, the
27 amount of the taxes on the residence homestead of the person for the

1 tax year is calculated by multiplying the amount of the taxes that
2 otherwise would be imposed on the residence homestead for the
3 entire year had the person not qualified for the applicable
4 exemption [~~under Section 11.131~~] by a fraction, the denominator of
5 which is 365 and the numerator of which is the number of days that
6 elapsed before the date the person qualified for the applicable
7 exemption [~~under Section 11.131~~].

8 (b) If a person qualifies for an exemption under Section
9 11.131 or 11.134 with respect to the property after the amount of
10 the tax due on the property is calculated and the effect of the
11 qualification is to reduce the amount of the tax due on the
12 property, the assessor for each taxing unit shall recalculate the
13 amount of the tax due on the property and correct the tax roll. If
14 the tax bill has been mailed and the tax on the property has not been
15 paid, the assessor shall mail a corrected tax bill to the person in
16 whose name the property is listed on the tax roll or to the person's
17 authorized agent. If the tax on the property has been paid, the tax
18 collector for the taxing unit shall refund to the person who paid
19 the tax the amount by which the payment exceeded the tax due.

20 SECTION 7. Section 403.302(d-1), Government Code, is
21 amended to read as follows:

22 (d-1) For purposes of Subsection (d), a residence homestead
23 that receives an exemption under Section 11.131, [~~or~~] 11.133, or
24 11.134, Tax Code, in the year that is the subject of the study is not
25 considered to be taxable property.

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

1 Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY
2 AFFECTED BY PROPERTY TAX RELIEF FOR CERTAIN MILITARY SERVICE
3 MEMBERS AND [~~DISABLED~~] VETERANS.

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

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

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

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

22 (c) For the purposes of this section, the amount of a local
23 government's lost ad valorem tax revenue for a fiscal year is
24 calculated by multiplying the ad valorem tax rate adopted by the
25 local government under Section 26.05, Tax Code, for the tax year in
26 which the fiscal year begins by the total appraised value of all
27 property located in the local government that is granted an

1 exemption from taxation under Section 11.131 or 11.134, Tax Code,
2 for that tax year.

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

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

20 (f) A qualified local government that does not submit an
21 application to the comptroller by the date prescribed by Subsection
22 (e) is not entitled to a military exemption [~~disabled veteran~~]
23 assistance payment for the fiscal year for which that deadline
24 applies.

25 (g) The comptroller shall review each application by a local
26 government to determine whether the local government is entitled to
27 a military exemption [~~disabled veteran~~] assistance payment. If

1 the comptroller determines that the local government is entitled to
2 the payment, the comptroller shall remit the payment from available
3 funds to the qualified local government not later than the 30th day
4 after the date the application for the payment is made.

5 SECTION 11. Section 11.134, Tax Code, as added by this Act,
6 applies only to ad valorem taxes imposed for a tax year beginning on
7 or after January 1, 2018.

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