

By: Anderson of Dallas

H.B. No. 3264

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax benefits for certain current and former first responders and their families.

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

SECTION 1. Section 11.13, Tax Code, is amended by amending Subsection (i) and adding Subsection (u) to read as follows:

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), ~~(e)~~ (n), or (u) ~~[of this section]~~ and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(u) In addition to any other exemptions provided by this section, a first responder is entitled to an exemption from taxation of \$10,000 of the appraised value of the responder's residence homestead if the residence homestead is located in the political subdivision that employs the first responder. If the first responder is employed by the state, the first responder is entitled to receive the exemption regardless of the location of the residence homestead. For purposes of this subsection, "first responder" means a person described by Section 615.003(1), (4),

1 (7), (10), or (11), Government Code.

2 SECTION 2. Subchapter B, Chapter 11, Tax Code, is amended by
3 adding Section 11.136 to read as follows:

4 Sec. 11.136. RESIDENCE HOMESTEAD OF DISABLED FIRST
5 RESPONDER. (a) In this section:

6 (1) "First responder" means a person described by
7 Section 615.003(1), (4), (7), (10), or (11), Government Code.

8 (2) "Surviving children" means the children,
9 including adopted children or stepchildren, of a first responder at
10 the time of the first responder's death.

11 (3) "Surviving spouse" means the individual who was
12 married to a first responder at the time of the first responder's
13 death.

14 (b) A first responder who sustains an injury in the
15 performance of that person's duties as a first responder and
16 presents evidence satisfactory to the chief appraiser that the
17 first responder's condition is a total disability resulting in
18 permanent incapacity for work and that the total disability has
19 persisted for more than 12 months is entitled to an exemption from
20 taxation of the total appraised value of the first responder's
21 residence homestead.

22 (c) The surviving spouse of a first responder who qualified
23 for an exemption under Subsection (b) is entitled to an exemption
24 from taxation of the total appraised value of the same property to
25 which the first responder's exemption applied if:

26 (1) the surviving spouse has not remarried; and

27 (2) the property:

1 (A) was the residence homestead of the surviving
2 spouse when the first responder died; and

3 (B) remains the residence homestead of the
4 surviving spouse.

5 (d) If a first responder who qualifies for an exemption
6 under Subsection (b) dies while unmarried, the first responder's
7 surviving children, if any, are entitled to an exemption from
8 taxation of the total appraised value of the same property to which
9 the first responder's exemption applied if:

10 (1) one or more of the surviving children are younger
11 than 18 years of age and unmarried; and

12 (2) the property:

13 (A) was the principal residence of one or more of
14 the surviving children described by Subdivision (1) when the first
15 responder died; and

16 (B) remains the principal residence of one or
17 more of those surviving children who are younger than 18 years of
18 age and unmarried.

19 SECTION 3. Section [11.42](#)(e), Tax Code, is amended to read as
20 follows:

21 (e) A person who qualifies for an exemption under Section
22 [11.131](#) or [11.136](#) after January 1 of a tax year may receive the
23 exemption for the applicable portion of that tax year immediately
24 on qualification for the exemption.

25 SECTION 4. Section [11.43](#)(c), Tax Code, is amended to read as
26 follows:

27 (c) An exemption provided by Section [11.13](#), [11.131](#), [11.132](#),

1 11.133, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
2 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
3 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once
4 allowed, need not be claimed in subsequent years, and except as
5 otherwise provided by Subsection (e), the exemption applies to the
6 property until it changes ownership or the person's qualification
7 for the exemption changes. However, the chief appraiser may
8 require a person allowed one of the exemptions in a prior year to
9 file a new application to confirm the person's current
10 qualification for the exemption by delivering a written notice that
11 a new application is required, accompanied by an appropriate
12 application form, to the person previously allowed the exemption.
13 If the person previously allowed the exemption is 65 years of age or
14 older, the chief appraiser may not cancel the exemption due to the
15 person's failure to file the new application unless the chief
16 appraiser complies with the requirements of Subsection (q), if
17 applicable.

18 SECTION 5. Section 11.431(a), Tax Code, is amended to read
19 as follows:

20 (a) The chief appraiser shall accept and approve or deny an
21 application for a residence homestead exemption, including an
22 exemption under Section 11.131 or 11.132 for the residence
23 homestead of a disabled veteran or the surviving spouse of a
24 disabled veteran, ~~or~~ an exemption under Section 11.133 for the
25 residence homestead of the surviving spouse of a member of the armed
26 services of the United States who is killed in action, or an
27 exemption under Section 11.136 for the residence homestead of a

1 disabled first responder or the surviving spouse or surviving child
2 of a disabled first responder, after the deadline for filing it has
3 passed if it is filed not later than one year after the delinquency
4 date for the taxes on the homestead.

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

7 (c) If the appraisal roll shows that a residence homestead
8 exemption under Section 11.131 or 11.136 applicable to a property
9 on January 1 of a year terminated during the year, the tax due
10 against the residence homestead is calculated by multiplying the
11 amount of the taxes that otherwise would be imposed on the residence
12 homestead for the entire year had the individual not qualified for
13 the residence homestead exemption [~~under Section 11.131~~] during the
14 year by a fraction, the denominator of which is 365 and the
15 numerator of which is the number of days that elapsed after the date
16 the exemption terminated.

17 SECTION 7. Section 26.1125, Tax Code, is amended to read as
18 follows:

19 Sec. 26.1125. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD
20 OF [~~100 PERCENT OR~~] TOTALLY DISABLED VETERAN OR FIRST RESPONDER.

21 (a) If a person qualifies for an exemption under Section 11.131 or
22 11.136 after the beginning of a tax year, the amount of the taxes on
23 the residence homestead of the person for the tax year is calculated
24 by multiplying the amount of the taxes that otherwise would be
25 imposed on the residence homestead for the entire year had the
26 person not qualified for the applicable exemption [~~under Section~~
27 ~~11.131~~] by a fraction, the denominator of which is 365 and the

1 numerator of which is the number of days that elapsed before the
2 date the person qualified for the applicable exemption [~~under~~
3 ~~Section 11.131~~].

4 (b) If a person qualifies for an exemption under Section
5 11.131 or 11.136 with respect to the property after the amount of
6 the tax due on the property is calculated and the effect of the
7 qualification is to reduce the amount of the tax due on the
8 property, the assessor for each taxing unit shall recalculate the
9 amount of the tax due on the property and correct the tax roll. If
10 the tax bill has been mailed and the tax on the property has not been
11 paid, the assessor shall mail a corrected tax bill to the person in
12 whose name the property is listed on the tax roll or to the person's
13 authorized agent. If the tax on the property has been paid, the tax
14 collector for the taxing unit shall refund to the person who paid
15 the tax the amount by which the payment exceeded the tax due.

16 SECTION 8. Sections 403.302(d) and (d-1), Government Code,
17 are amended to read as follows:

18 (d) For the purposes of this section, "taxable value" means
19 the market value of all taxable property less:

20 (1) the total dollar amount of any residence homestead
21 exemptions lawfully granted under Section 11.13(b), ~~[or]~~ (c), or
22 (u), Tax Code, in the year that is the subject of the study for each
23 school district;

24 (2) one-half of the total dollar amount of any
25 residence homestead exemptions granted under Section 11.13(n), Tax
26 Code, in the year that is the subject of the study for each school
27 district;

1 (3) the total dollar amount of any exemptions granted
2 before May 31, 1993, within a reinvestment zone under agreements
3 authorized by Chapter 312, Tax Code;

4 (4) subject to Subsection (e), the total dollar amount
5 of any captured appraised value of property that:

6 (A) is within a reinvestment zone created on or
7 before May 31, 1999, or is proposed to be included within the
8 boundaries of a reinvestment zone as the boundaries of the zone and
9 the proposed portion of tax increment paid into the tax increment
10 fund by a school district are described in a written notification
11 provided by the municipality or the board of directors of the zone
12 to the governing bodies of the other taxing units in the manner
13 provided by former Section 311.003(e), Tax Code, before May 31,
14 1999, and within the boundaries of the zone as those boundaries
15 existed on September 1, 1999, including subsequent improvements to
16 the property regardless of when made;

17 (B) generates taxes paid into a tax increment
18 fund created under Chapter 311, Tax Code, under a reinvestment zone
19 financing plan approved under Section 311.011(d), Tax Code, on or
20 before September 1, 1999; and

21 (C) is eligible for tax increment financing under
22 Chapter 311, Tax Code;

23 (5) the total dollar amount of any captured appraised
24 value of property that:

25 (A) is within a reinvestment zone:

26 (i) created on or before December 31, 2008,
27 by a municipality with a population of less than 18,000; and

1 (ii) the project plan for which includes
2 the alteration, remodeling, repair, or reconstruction of a
3 structure that is included on the National Register of Historic
4 Places and requires that a portion of the tax increment of the zone
5 be used for the improvement or construction of related facilities
6 or for affordable housing;

7 (B) generates school district taxes that are paid
8 into a tax increment fund created under Chapter 311, Tax Code; and

9 (C) is eligible for tax increment financing under
10 Chapter 311, Tax Code;

11 (6) the total dollar amount of any exemptions granted
12 under Section 11.251 or 11.253, Tax Code;

13 (7) the difference between the comptroller's estimate
14 of the market value and the productivity value of land that
15 qualifies for appraisal on the basis of its productive capacity,
16 except that the productivity value estimated by the comptroller may
17 not exceed the fair market value of the land;

18 (8) the portion of the appraised value of residence
19 homesteads of individuals who receive a tax limitation under
20 Section 11.26, Tax Code, on which school district taxes are not
21 imposed in the year that is the subject of the study, calculated as
22 if the residence homesteads were appraised at the full value
23 required by law;

24 (9) a portion of the market value of property not
25 otherwise fully taxable by the district at market value because of:

26 (A) action required by statute or the
27 constitution of this state, other than Section 11.311, Tax Code,

1 that, if the tax rate adopted by the district is applied to it,
2 produces an amount equal to the difference between the tax that the
3 district would have imposed on the property if the property were
4 fully taxable at market value and the tax that the district is
5 actually authorized to impose on the property, if this subsection
6 does not otherwise require that portion to be deducted; or

7 (B) action taken by the district under Subchapter
8 B or C, Chapter 313, Tax Code, before the expiration of the
9 subchapter;

10 (10) the market value of all tangible personal
11 property, other than manufactured homes, owned by a family or
12 individual and not held or used for the production of income;

13 (11) the appraised value of property the collection of
14 delinquent taxes on which is deferred under Section 33.06, Tax
15 Code;

16 (12) the portion of the appraised value of property
17 the collection of delinquent taxes on which is deferred under
18 Section 33.065, Tax Code; and

19 (13) the amount by which the market value of a
20 residence homestead to which Section 23.23, Tax Code, applies
21 exceeds the appraised value of that property as calculated under
22 that section.

23 (d-1) For purposes of Subsection (d), a residence homestead
24 that receives an exemption under Section 11.131, ~~or~~ 11.133, or
25 11.136, Tax Code, in the year that is the subject of the study is not
26 considered to be taxable property.

27 SECTION 9. Sections 11.13(u) and 11.136, Tax Code, as added

1 by this Act, apply only to ad valorem taxes imposed for a tax year
2 beginning on or after January 1, 2018.

3 SECTION 10. This Act takes effect January 1, 2018, but only
4 if the constitutional amendment proposed by the 85th Legislature,
5 Regular Session, 2017, authorizing the legislature to provide ad
6 valorem tax benefits to certain current and former first responders
7 and their families is approved by the voters. If that
8 constitutional amendment is not approved by the voters, this Act
9 has no effect.