

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 14, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB217** by Canales (Relating to the authority of certain persons to defer or abate the collection of ad valorem taxes on a person's residence homestead.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 33 of the Tax Code, regarding property tax collections, to include partially disabled veterans qualified for a residence homestead exemption under Tax Code Section 11.22 as individuals permitted to defer collection of property taxes, abate a suit to collect a delinquent tax or abate a sale to foreclose a tax lien until the 181st day after the date the individual no longer owns and occupies the residence homestead. Currently, only individuals who are 65 years of age or older, or disabled as defined by Tax Code Section 11.13(m), may defer the property tax, or abate a collections suit or foreclosure sale.

To the extent that partially disabled veterans who are not eligible for the property tax deferral, or collections and foreclosure abatement (deferral) become eligible as provided by the bill, the bill would create a cost to units of local government and to the state through the operation of school funding formulas. It is assumed, however, that the great majority of disabled veterans are already permitted to take advantage of the property tax deferral provisions because they would qualify under current Tax Code Section 33.06 (a)(1), which provides that if a homestead owner "is disabled as defined by (Tax Code) Section 11.13(m)" the owner would qualify for the deferral. There may exist rare instances in which a veteran who is considered disabled under Tax Code Section 11.22 is not considered disabled under Tax Code Section 11.13 but the cost of granting the exemption in these instances would not be significant.

The bill would take effect on September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS