86R2298 CJC-F

By:  Lambert H.B. No. 1606

A BILL TO BE ENTITLED

AN ACT

relating to a local option exemption from ad valorem taxation by a county or municipality of a portion of the appraised value of real property of a business that provides, or pays for the provision of, certain services for honorably discharged veterans without cost.

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

SECTION 1.  Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.38 to read as follows:

Sec. 11.38.  CERTAIN BUSINESSES PROVIDING SERVICES TO VETERANS. (a) In this section:

(1)  "Qualifying business" means a business located in this state that during the preceding tax year:

(A)  provided at least $5,000 of qualifying services to at least one qualifying veteran; or

(B)  paid at least $5,000 to a provider to reimburse the provider for costs incurred in providing qualifying services to at least one qualifying veteran.

(2)  "Qualifying services" means any of the following, if provided to a veteran without cost:

(A)  housing;

(B)  substance abuse treatment;

(C)  residential treatment services;

(D)  case management services; or

(E)  mental health counseling.

(3)  "Qualifying veteran" means an individual who:

(A)  has served on active duty in the armed forces of the United States;

(B)  was honorably discharged from military service; and

(C)  on or after January 1, 2019, receives qualifying services provided or paid for by a qualifying business.

(b)  Subject to Subsection (c), a person is entitled to an exemption from taxation by a county or municipality of a portion, expressed as a dollar amount, of the appraised value of real property the person owns that is reasonably necessary for and used by the person in the operation of a qualifying business if the exemption is adopted by the governing body of the county or municipality, as applicable, in the manner provided by law for official action by the governing body.

(c)  The amount of the exemption authorized under this section for a tax year is a dollar amount equal to the lesser of:

(1)  $300,000; or

(2)  the product of $15,000 and the number of qualifying veterans that received qualifying services provided or paid for by the qualifying business.

(d)  The chief appraiser may require a person who applies for an exemption under this section to present additional information establishing eligibility for the exemption.

(e)  The governing body of the county or municipality may repeal the exemption in the manner provided by law for official action by the governing body.

SECTION 2.  This Act applies only to ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 3.  This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the governing body of a county or municipality to adopt a local option exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of real property of a business that provides, or pays for the provision of, certain services for honorably discharged veterans without cost is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.