

By: Leach

H.B. No. 716

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption from ad valorem taxation of part of the
3 appraised value of the residence homestead of a severely disabled
4 veteran or the surviving spouse of a severely 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 SEVERELY
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 "Severely Disabled Veteran" is a disabled veteran who
18 has a disability rating of at least 80 percent but less than 100
19 percent is entitled to an exemption from taxation of a percentage of
20 the appraised value of the disabled veteran's residence homestead
21 equal to the disabled veteran's disability rating.

22 (c) The surviving spouse of a Severely Disabled Veteran who
23 qualified for an exemption under Subsection (b) of a percentage of
24 the appraised value of the Severely Disabled Veteran's residence

1 homestead when the Severely Disabled Veteran died is entitled to an
2 exemption from taxation of the same percentage of the appraised
3 value of the same property to which the Severely Disabled Veteran's
4 exemption applied if:

5 (1) the surviving spouse has not remarried since the
6 death of the Severely Disabled Veteran; and

7 (2) the property:

8 (A) was the residence homestead of the surviving
9 spouse when the Severely Disabled Veteran died; and

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

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

1 SECTION 2. (a) Section 11.42(c), Tax Code, is amended to
2 read as follows:

3 (c) An exemption authorized by Section 11.13(c) or (d),
4 11.132, 11.133, ~~or~~ 11.134, or 11.136 is effective as of January 1
5 of the tax year in which the person qualifies for the exemption and
6 applies to the entire tax year.

7 (b) Section 11.43(c), Tax Code, is reenacted and amended to
8 read as follows:

9 (c) An exemption provided by Section 11.13, 11.131, 11.132,
10 11.133, 11.134, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183,
11 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),
12 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, or 11.315, once
13 allowed, need not be claimed in subsequent years, and except as
14 otherwise provided by Subsection (e), the exemption applies to the
15 property until it changes ownership or the person's qualification
16 for the exemption changes. However, except as provided by
17 Subsection (r), the chief appraiser may require a person allowed
18 one of the exemptions in a prior year to file a new application to
19 confirm the person's current qualification for the exemption by
20 delivering a written notice that a new application is required,
21 accompanied by an appropriate application form, to the person
22 previously allowed the exemption. If the person previously allowed
23 the exemption is 65 years of age or older, the chief appraiser may
24 not cancel the exemption due to the person's failure to file the new
25 application unless the chief appraiser complies with the
26 requirements of Subsection (q), if applicable.

27 (c) Section 11.431(a), Tax Code, is reenacted and amended to

1 read as follows:

2 (a) The chief appraiser shall accept and approve or deny an
3 application for a residence homestead exemption, including an
4 exemption under Section 11.131, ~~or~~ 11.132, or 11.136 for the
5 residence homestead of a Severely Disabled Veteran or the surviving
6 spouse of a Severely Disabled Veteran, an exemption under Section
7 11.133 for the residence homestead of the surviving spouse of a
8 member of the armed services of the United States who is killed in
9 action, or an exemption under Section 11.134 for the residence
10 homestead of the surviving spouse of a first responder who is killed
11 or fatally injured in the line of duty, after the deadline for
12 filing it has passed if it is filed not later than two years after
13 the delinquency date for the taxes on the homestead.

14 (d) Section 26.10(b), Tax Code, is amended to read as
15 follows:

16 (b) If the appraisal roll shows that a residence homestead
17 exemption under Section 11.13(c) or (d), 11.132, 11.133, ~~or~~
18 11.134, or 11.136 applicable to a property on January 1 of a year
19 terminated during the year and if the owner of the property
20 qualifies a different property for one of those residence homestead
21 exemptions during the same year, the tax due against the former
22 residence homestead is calculated by:

23 (1) subtracting:

24 (A) the amount of the taxes that otherwise would
25 be imposed on the former residence homestead for the entire year had
26 the owner qualified for the residence homestead exemption for the
27 entire year; from

1 (B) the amount of the taxes that otherwise would
2 be imposed on the former residence homestead for the entire year had
3 the owner not qualified for the residence homestead exemption
4 during the year;

5 (2) multiplying the remainder determined under
6 Subdivision (1) by a fraction, the denominator of which is 365 and
7 the numerator of which is the number of days that elapsed after the
8 date the exemption terminated; and

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

11 SECTION 3. Section 11.43(k), Tax Code, is amended to read as
12 follows:

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

17 SECTION 4. Section 26.1127, Tax Code, is amended to read as
18 follows:

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

1 (b) If an individual qualifies for an exemption under
2 Section [11.132](#) or 11.136 with respect to the property after the
3 amount of the tax due on the property is calculated and the effect
4 of the qualification is to reduce the amount of the tax due on the
5 property, the assessor for each taxing unit shall recalculate the
6 amount of the tax due on the property and correct the tax roll. If
7 the tax bill has been mailed and the tax on the property has not been
8 paid, the assessor shall mail a corrected tax bill to the individual
9 in whose name the property is listed on the tax roll or to the
10 individual's authorized agent. If the tax on the property has been
11 paid, the tax collector for the taxing unit shall refund to the
12 individual who paid the tax the amount by which the payment exceeded
13 the tax due.

14 SECTION 5. Section [31.031\(a\)](#), Tax Code, is amended to read
15 as follows:

- 16 (a) This section applies only to:
- 17 (1) an individual who is:
- 18 (A) disabled or at least 65 years of age; and
- 19 (B) qualified for an exemption under Section
- 20 [11.13\(c\)](#); or
- 21 (2) an individual who is:
- 22 (A) a Severely Disabled Veteran or the unmarried
- 23 surviving spouse of a Severely Disabled Veteran; and
- 24 (B) qualified for an exemption under Section
- 25 [11.132](#), 11.136, or [11.22](#).

26 SECTION 6. Section [140.011\(a\)\(2\)](#), Local Government Code, is
27 amended to read as follows:

1 (2) "Local government" means:

2 (A) a municipality adjacent to or within twenty
3 miles of a military installation; and,

4 (B) a county in which a United States military
5 installation is wholly or partly located.

6 SECTION 7. Section 140.011(c), Local Government Code, is
7 amended to read as follows:

8 (c) For the purposes of this section, the amount of a local
9 government's lost ad valorem tax revenue for a fiscal year is
10 calculated by multiplying the ad valorem tax rate adopted by the
11 local government under Section 26.05, Tax Code, for the tax year in
12 which the fiscal year begins by the sum of:

13 (1) the total appraised value of all property located
14 in the local government that is exempt [~~granted an exemption~~] from
15 taxation under Section 11.131, Tax Code, for that tax year; and

16 (2) the total dollar amount of the portion of the
17 appraised value of all property located in the local government
18 that is exempt from taxation under Section 11.136, Tax Code, for
19 that tax year.

20 SECTION 8. This Act applies only to ad valorem taxes imposed
21 for an ad valorem tax year that begins on or after the effective
22 date of this Act.

23 SECTION 9. This Act takes effect January 1, 2020, but only
24 if the constitutional amendment proposed by the 86th Legislature,
25 Regular Session, 2019, authorizing the legislature to provide for
26 an exemption from ad valorem taxation of part of the market value of
27 the residence homestead of a Severely Disabled Veteran or the

1 surviving spouse of a Severely Disabled Veteran based on the
2 disability rating of the veteran and harmonizing certain related
3 provisions of the constitution is approved by the voters. If that
4 amendment is not approved by the voters, this Act has no effect.