

By: Lambert

H.B. No. 1606

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a local option exemption from ad valorem taxation by a
3 county or municipality of a portion of the appraised value of real
4 property of a business that provides, or pays for the provision of,
5 certain services for honorably discharged veterans without cost.

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 11.38 to read as follows:

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

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

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

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

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

20 (A) housing;

21 (B) substance abuse treatment;

22 (C) residential treatment services;

23 (D) case management services; or

24 (E) mental health counseling.

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

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

4 (B) was honorably discharged from military
5 service; and

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

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

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

18 (1) \$300,000; or

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

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

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

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

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