

By: LaHood

H.B. No. 297

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of such a veteran based on the disability rating of the veteran.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.137 to read as follows:

Sec. 11.137. RESIDENCE HOMESTEAD OF CERTAIN PARTIALLY DISABLED VETERANS. (a) In this section:

(1) "Disability rating" and "disabled veteran" have the meanings assigned by Section 11.22.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

(3) "Surviving spouse" has the meaning assigned by Section 11.131.

(b) A disabled veteran who has a disability rating of at least 10 percent but less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating.

(c) The surviving spouse of a disabled veteran who qualified for an exemption under Subsection (b) of a percentage of the appraised value of the disabled veteran's residence homestead when

1 the disabled veteran died, or of a disabled veteran who would have  
2 qualified for an exemption under that subsection if that subsection  
3 had been in effect on the date the disabled veteran died, is  
4 entitled to an exemption from taxation of the same percentage of the  
5 appraised value of the same property to which the disabled  
6 veteran's exemption applied, or to which the disabled veteran's  
7 exemption would have applied if the exemption had been authorized  
8 on the date the disabled veteran died, if:

9 (1) the surviving spouse has not remarried since the  
10 death of the disabled veteran; and

11 (2) the property:

12 (A) was the residence homestead of the surviving  
13 spouse when the disabled veteran died; and

14 (B) remains the residence homestead of the  
15 surviving spouse.

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

1 written certificate providing the information necessary to  
2 determine the amount of the exemption to which the surviving spouse  
3 is entitled on the subsequently qualified residence homestead.

4 SECTION 2. If the constitutional amendment proposed by  
5 H.J.R. 133, 89th Legislature, Regular Session, 2025, is approved by  
6 the voters, Section 11.42(c), Tax Code, as amended by H.B. 2508,  
7 Acts of the 89th Legislature, Regular Session, 2025, and effective  
8 January 1, 2026, is amended to read as follows:

9 (c) An exemption authorized by Section 11.13(c) or (d),  
10 11.132, 11.133, 11.134, ~~or~~ 11.136, or 11.137 is effective as of  
11 January 1 of the tax year in which the person qualifies for the  
12 exemption and applies to the entire tax year.

13 SECTION 3. If the constitutional amendment proposed by  
14 H.J.R. 133, 89th Legislature, Regular Session, 2025, is not  
15 approved by the voters, Section 11.42(c), Tax Code, is amended to  
16 read as follows:

17 (c) An exemption authorized by Section 11.13(c) or (d),  
18 11.132, 11.133, ~~or~~ 11.134, or 11.137 is effective as of January 1  
19 of the tax year in which the person qualifies for the exemption and  
20 applies to the entire tax year.

21 SECTION 4. If the constitutional amendment proposed by  
22 H.J.R. 34, 89th Legislature, Regular Session, 2025, is approved by  
23 the voters and the constitutional amendment proposed by H.J.R. 133,  
24 89th Legislature, Regular Session, 2025, is not approved by the  
25 voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of  
26 the 89th Legislature, Regular Session, 2025, by H.B. 1620, Acts of  
27 the 89th Legislature, Regular Session, 2025, and effective

1 September 1, 2025, and by H.B. 247, Acts of the 89th Legislature,  
2 Regular Session, 2025, and effective January 1, 2026, is reenacted  
3 and amended to read as follows:

4 (c) An exemption provided by Section 11.13, 11.131, 11.132,  
5 11.133, 11.134, 11.137, 11.17, 11.18, 11.182, 11.1827, 11.183,  
6 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),  
7 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35,  
8 11.36, ~~[or]~~ 11.37, or 11.38, once allowed, need not be claimed in  
9 subsequent years, and except as otherwise provided by Subsection  
10 (e), the exemption applies to the property until it changes  
11 ownership or the person's qualification for the exemption changes.  
12 However, except as provided by Subsection (r), and subject to  
13 Subsection (c-1), the chief appraiser may require a person allowed  
14 one of the exemptions in a prior year to file a new application to  
15 confirm the person's current qualification for the exemption by  
16 delivering a written notice that a new application is required,  
17 accompanied by an appropriate application form, to the person  
18 previously allowed the exemption. If the person previously allowed  
19 the exemption is 65 years of age or older, the chief appraiser may  
20 not cancel the exemption due to the person's failure to file the new  
21 application unless the chief appraiser complies with the  
22 requirements of Subsection (q), if applicable.

23 SECTION 5. If the constitutional amendment proposed by  
24 H.J.R. 133, 89th Legislature, Regular Session, 2025, is approved by  
25 the voters and the constitutional amendment proposed by H.J.R. 34,  
26 89th Legislature, Regular Session, 2025, is not approved by the  
27 voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of

the 89th Legislature, Regular Session, 2025, by H.B. 1620, Acts of the 89th Legislature, Regular Session, 2025, and effective September 1, 2025, and by H.B. 2508, Acts of the 89th Legislature, Regular Session, 2025, and effective January 1, 2026, is reenacted and amended to read as follows:

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.136, 11.137, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35, 11.36, or 11.37, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), and subject to Subsection (c-1), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

SECTION 6. If both the constitutional amendment proposed by H.J.R. 34, 89th Legislature, Regular Session, 2025, and the constitutional amendment proposed by H.J.R. 133, 89th Legislature,

Regular Session, 2025, are approved by the voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of the 89th Legislature, Regular Session, 2025, by H.B. 1620, Acts of the 89th Legislature, Regular Session, 2025, and effective September 1, 2025, and by H.B. 247 and H.B. 2508, Acts of the 89th Legislature, Regular Session, 2025, and effective January 1, 2026, is reenacted and amended to read as follows:

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.136, 11.137, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35, 11.36, ~~[or]~~ 11.37, or 11.38, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), and subject to Subsection (c-1), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

SECTION 7. If neither the constitutional amendment proposed

1 by H.J.R. 34, 89th Legislature, Regular Session, 2025, nor the  
2 constitutional amendment proposed by H.J.R. 133, 89th Legislature,  
3 Regular Session, 2025, is approved by the voters, Section 11.43(c),  
4 Tax Code, as amended by H.B. 2730, Acts of the 89th Legislature,  
5 Regular Session, 2025, and by H.B. 1620, Acts of the 89th  
6 Legislature, Regular Session, 2025, and effective September 1,  
7 2025, is reenacted and amended to read as follows:

8 (c) An exemption provided by Section 11.13, 11.131, 11.132,  
9 11.133, 11.134, 11.137, 11.17, 11.18, 11.182, 11.1827, 11.183,  
10 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),  
11 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35,  
12 11.36, or 11.37, once allowed, need not be claimed in subsequent  
13 years, and except as otherwise provided by Subsection (e), the  
14 exemption applies to the property until it changes ownership or the  
15 person's qualification for the exemption changes. However, except  
16 as provided by Subsection (r), and subject to Subsection (c-1), the  
17 chief appraiser may require a person allowed one of the exemptions  
18 in a prior year to file a new application to confirm the person's  
19 current qualification for the exemption by delivering a written  
20 notice that a new application is required, accompanied by an  
21 appropriate application form, to the person previously allowed the  
22 exemption. If the person previously allowed the exemption is 65  
23 years of age or older, the chief appraiser may not cancel the  
24 exemption due to the person's failure to file the new application  
25 unless the chief appraiser complies with the requirements of  
26 Subsection (q), if applicable.

27 SECTION 8. Section 11.43(k), Tax Code, is amended to read as

1 follows:

2 (k) A person who qualifies for an exemption authorized by  
3 Section 11.13(c) or (d), ~~[or] 11.132,~~ or 11.137 must apply for the  
4 exemption no later than the first anniversary of the date the person  
5 qualified for the exemption.

6 SECTION 9. Section 11.439(a), Tax Code, is amended to read  
7 as follows:

8 (a) The chief appraiser shall accept and approve or deny an  
9 application for an exemption under Section 11.131, ~~[or] 11.132,~~ or  
10 11.137 for the residence homestead of a disabled veteran but not the  
11 surviving spouse of the disabled veteran or Section 11.22 after the  
12 filing deadline provided by Section 11.43 if the application is  
13 filed not later than five years after the delinquency date for the  
14 taxes on the property.

15 SECTION 10. If the constitutional amendment proposed by  
16 H.J.R. 133, 89th Legislature, Regular Session, 2025, is approved by  
17 the voters, Section 26.10(b), Tax Code, as amended by H.B. 2508,  
18 Acts of the 89th Legislature, Regular Session, 2025, and effective  
19 January 1, 2026, is amended to read as follows:

20 (b) If the appraisal roll shows that a residence homestead  
21 exemption under Section 11.13(c) or (d), 11.132, 11.133, 11.134,  
22 ~~[or] 11.136,~~ or 11.137 applicable to a property on January 1 of a  
23 year terminated during the year and if the owner of the property  
24 qualifies a different property for one of those residence homestead  
25 exemptions during the same year, the tax due against the former  
26 residence homestead is calculated by:

27 (1) subtracting:



1 (A) the amount of the taxes that otherwise would  
2 be imposed on the former residence homestead for the entire year had  
3 the owner qualified for the residence homestead exemption for the  
4 entire year; from

5 (B) the amount of the taxes that otherwise would  
6 be imposed on the former residence homestead for the entire year had  
7 the owner not qualified for the residence homestead exemption  
8 during the year;

9 (2) multiplying the remainder determined under  
10 Subdivision (1) by a fraction, the denominator of which is 365 and  
11 the numerator of which is the number of days that elapsed after the  
12 date the exemption terminated; and

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

15 SECTION 11. If the constitutional amendment proposed by  
16 H.J.R. 133, 89th Legislature, Regular Session, 2025, is not  
17 approved by the voters, Section 26.10(b), Tax Code, is amended to  
18 read as follows:

19 (b) If the appraisal roll shows that a residence homestead  
20 exemption under Section 11.13(c) or (d), 11.132, 11.133, ~~or~~  
21 11.134, or 11.137 applicable to a property on January 1 of a year  
22 terminated during the year and if the owner of the property  
23 qualifies a different property for one of those residence homestead  
24 exemptions during the same year, the tax due against the former  
25 residence homestead is calculated by:

26 (1) subtracting:

27 (A) the amount of the taxes that otherwise would

1 be imposed on the former residence homestead for the entire year had  
2 the owner qualified for the residence homestead exemption for the  
3 entire year; from

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

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

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

14 SECTION 12. Section 26.1127, Tax Code, is amended to read as  
15 follows:

16 Sec. 26.1127. CALCULATION OF TAXES ON ~~[DONATED]~~ RESIDENCE  
17 HOMESTEAD OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~ OR SURVIVING  
18 SPOUSE OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~. (a) Except as  
19 provided by Section 26.10(b), if at any time during a tax year  
20 property is owned by an individual who qualifies for an exemption  
21 under Section 11.132 or 11.137, the amount of the tax due on the  
22 property for the tax year is calculated as if the individual  
23 qualified for the exemption on January 1 and continued to qualify  
24 for the exemption for the remainder of the tax year.

25 (b) If an individual qualifies for an exemption under  
26 Section 11.132 or 11.137 with respect to the property after the  
27 amount of the tax due on the property is calculated and the effect

1 of the qualification is to reduce the amount of the tax due on the  
2 property, the assessor for each taxing unit shall recalculate the  
3 amount of the tax due on the property and correct the tax roll. If  
4 the tax bill has been mailed and the tax on the property has not been  
5 paid, the assessor shall mail a corrected tax bill to the individual  
6 in whose name the property is listed on the tax roll or to the  
7 individual's authorized agent. If the tax on the property has been  
8 paid, the tax collector for the taxing unit shall refund to the  
9 individual who was the owner of the property on the date the tax was  
10 paid the amount by which the payment exceeded the tax due.

11 SECTION 13. Section 31.031(a), Tax Code, is amended to read  
12 as follows:

13 (a) This section applies only to:

14 (1) an individual who is:

15 (A) disabled or at least 65 years of age; and

16 (B) qualified for an exemption under Section  
17 11.13(c); or

18 (2) an individual who is:

19 (A) a disabled veteran or the unmarried surviving  
20 spouse of a disabled veteran; and

21 (B) qualified for an exemption under Section  
22 11.132, 11.137, or 11.22.

23 SECTION 14. Section 140.011(c), Local Government Code, is  
24 amended to read as follows:

25 (c) For the purposes of this section, the amount of a local  
26 government's lost ad valorem tax revenue for a fiscal year is  
27 calculated by multiplying the ad valorem tax rate adopted by the

1 local government under Section 26.05, Tax Code, for the tax year in  
2 which the fiscal year begins by the sum of:

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

6       (2) the total dollar amount of the portion of the  
7 appraised value of all property located in the local government  
8 that is exempt from taxation under Section 11.137, Tax Code, for  
9 that tax year.

10       SECTION 15. This Act applies only to ad valorem taxes  
11 imposed for an ad valorem tax year that begins on or after the  
12 effective date of this Act.

13       SECTION 16. This Act takes effect January 1, 2027, but only  
14 if the constitutional amendment proposed by the 89th Legislature,  
15 1st Called Session, 2025, authorizing the legislature to provide  
16 for an exemption from ad valorem taxation of part of the market  
17 value of the residence homestead of a partially disabled veteran or  
18 the surviving spouse of such a veteran based on the disability  
19 rating of the veteran is approved by the voters. If that amendment  
20 is not approved by the voters, this Act has no effect.