

By: LaHood

H.B. No. 202

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

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

6 (c) An exemption provided by Section 11.13, 11.131, 11.132,
7 11.133, 11.134, 11.136, 11.137, 11.17, 11.18, 11.182, 11.1827,
8 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or
9 (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315,
10 11.35, 11.36, or 11.37, once allowed, need not be claimed in
11 subsequent years, and except as otherwise provided by Subsection
12 (e), the exemption applies to the property until it changes
13 ownership or the person's qualification for the exemption changes.
14 However, except as provided by Subsection (r), and subject to
15 Subsection (c-1), the chief appraiser may require a person allowed
16 one of the exemptions in a prior year to file a new application to
17 confirm the person's current qualification for the exemption by
18 delivering a written notice that a new application is required,
19 accompanied by an appropriate application form, to the person
20 previously allowed the exemption. If the person previously
21 allowed the exemption is 65 years of age or older, the chief
22 appraiser may not cancel the exemption due to the person's failure
23 to file the new application unless the chief appraiser complies
24 with the requirements of Subsection (q), if applicable.

25 SECTION 6. If both the constitutional amendment proposed by
26 H.J.R. 34, 89th Legislature, Regular Session, 2025, and the
27 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.