

BILL ANALYSIS

Senate Research Center
89R8685 JBD-D

H.B. 2508
By: Turner et al. (Hughes)
Local Government
5/21/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to a 2024 study on veterans in Texas prepared by the Texas Workforce Investment Council, approximately 1.5 million individuals 18 years of age and older in Texas were veterans in 2021. Current state law entitles a veteran who is rated as 100 percent disabled due to a service-connected disability to an exemption from property taxation of the total appraised value of the veteran's residence homestead, and when a 100 percent disabled veteran passes away, a qualifying surviving spouse is entitled to the same residence homestead exemption for the property to which the veteran's exemption applied. However, the bill author has informed the committee that a gap exists in current law with respect to veterans who pass away due to a condition or disease for which the federal Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 establishes a presumption of service connection but who are not yet rated as 100 percent disabled at the time of the veteran's death, in which case the surviving spouse is not entitled to a residence homestead exemption. H.B. 2508 seeks to address this issue by entitling the surviving spouse of a veteran who died as a result of a qualifying condition or disease presumed to be service-connected under the Honoring our PACT Act, regardless of the veteran's disability rating at the time of the veteran's death, to certain exemptions from property taxation.

H.B. 2508 amends current law relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a veteran who died as a result of a qualifying condition or disease.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.136, as follows:

Sec. 11.136. RESIDENCE HOMESTEADS OF SURVIVING SPOUSES OF CERTAIN QUALIFYING VETERANS. (a) Defines "qualifying condition or disease," "qualifying veteran," "residence homestead," and "surviving spouse."

(b) Provides that the surviving spouse of a qualifying veteran is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the veteran.

(c) Provides that the exemption provided by this section applies regardless of the date of the veteran's death if the surviving spouse otherwise meets the qualifications of this section.

(d) Provides that a surviving spouse who receives an exemption under Subsection (b) for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving

spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption under Subsection (b) in the last year in which the surviving spouse received that exemption if the surviving spouse has not remarried since the death of the veteran. Provides that the surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

SECTION 2. Amends Section 11.42(c), Tax Code, to provide that an exemption authorized by certain provisions of the Tax Code, including Section 11.136, is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year, and to make a nonsubstantive change.

SECTION 3. Amends Section 11.43(c), Tax Code, as follows:

(c) Provides that an exemption provided by certain provisions of the Tax Code, including Section 11.136, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) (relating prohibiting a person from receiving an exemption if the person failed to timely file a completed application), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

SECTION 4. Amends Section 26.10(b), Tax Code, as follows:

(b) Provides that, if the appraisal roll shows that a residence homestead exemption under certain provisions of the Tax Code, including Section 11.136, applicable to a property on January 1 of a year terminated during the year and if the owner of the property qualifies a different property for one of those residence homestead exemptions during the same year, the tax due against the former residence homestead is calculated in certain manners. Makes nonsubstantive changes.

SECTION 5. Amends Section 26.112, Tax Code, as follows:

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF CERTAIN PERSONS. (a) Provides that, except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under certain provisions of the Tax Code, including Section 11.136, the amount of the tax due on the property for the tax year is calculated as if the individual qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year. Makes nonsubstantive changes.

(b) Requires the assessor for each taxing unit, if an individual qualifies for an exemption under certain provisions of the Tax Code, including Section 11.136, with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, to recalculate the amount of the tax due on the property and correct the tax roll. Makes nonsubstantive changes.

SECTION 6. Amends Section 403.302(d-1), Government Code, as follows:

(d-1) Provides that, for purposes of Subsection (d) (relating to defining "taxable value"), a residence homestead that receives an exemption under certain provisions of the Tax Code, including Section 11.136, in the year that is the subject of the study is not considered to be taxable property. Makes nonsubstantive changes.

SECTION 7. Makes application of Section 11.136, Tax Code, as added by this Act, prospective.

SECTION 8. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 9. Effective date: January 1, 2026, contingent on approval by the voters of the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a veteran who died as a result of a condition or disease that is presumed under federal law to have been service-connected.