

BILL ANALYSIS

H.B. 2508
By: Turner
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2508 amends the Tax Code to entitle the surviving spouse of a qualifying veteran who was married to the veteran at the time of the veteran's death and has not remarried since that time to an exemption from property taxation of the total appraised value of the surviving spouse's residence homestead, defined by reference to statutory provisions relating to residence homestead property tax exemptions. The bill defines "qualifying veteran" as a veteran of the U.S. armed services who died as a result of a qualifying condition or disease, regardless of the veteran's disability rating at the time of the veteran's death, and defines "qualifying condition or disease" as a condition or disease for which the federal Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 or a regulation adopted under that act establishes a presumption of service connection. The bill makes this exemption applicable regardless of the date of the veteran's death if the surviving spouse otherwise meets the qualifications for the exemption.

H.B. 2508 also entitles a surviving spouse who receives such an exemption and who has not remarried since the death of the veteran to receive an exemption from taxation of a property that the spouse subsequently qualifies as the spouse's residence homestead in an amount equal to the dollar amount of the exemption the spouse received for the first property under the bill's provisions in the last year in which the spouse received that exemption. The bill further entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the first property for which the spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the spouse is entitled on the subsequently qualified homestead.

H.B. 2508 makes an exemption authorized by the bill's provisions effective as of January 1 of the tax year in which the person qualifies for the exemption and applicable to the entire tax year. The bill subjects such an exemption to statutory provisions that provide for the following:

- the continued application of an exemption without claiming the exemption in subsequent years until the property changes ownership or the person's qualification for the exemption changes;
- the calculation of the tax due against a former residence homestead when the appraisal roll shows that the residence homestead property tax exemption applicable to a property on January 1 of a year terminated during the year and the owner of the property qualifies a different property for the exemption during the same year; and
- the calculation of taxes on the residence homesteads of qualifying elderly or disabled adults and qualifying surviving spouses of members of the U.S. armed services and first responders who were killed in the line of duty.

H.B. 2508 amends the Government Code to establish that, for purposes of the study conducted by the comptroller of public accounts to determine the total taxable value of all property in each public school district, a residence homestead that receives an exemption under the bill's provisions in the year that is the subject of the study is not considered to be taxable property.

H.B. 2508 makes its provisions providing property tax exemptions to certain surviving spouses of qualifying veterans applicable only to property taxes imposed for a tax year that begins on or after the bill's effective date and establishes that it is the intent of the legislature that the bill's provisions be harmonized with another act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

EFFECTIVE DATE

January 1, 2026, if the constitutional amendment authorizing the legislature to provide for an exemption from property 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 is approved by the voters.