

By: Middleton

S.B. No. 1126

A BILL TO BE ENTITLED

1 AN ACT

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

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 11.136 to read as follows:

9 Sec. 11.136. RESIDENCE HOMESTEAD OF CERTAIN PARTIALLY
10 DISABLED VETERANS. (a) In this section:

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

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

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

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

22 (c) The surviving spouse of a disabled veteran who qualified
23 for an exemption under Subsection (b) of a percentage of the
24 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. Section 11.42(c), Tax Code, is amended to read as
5 follows:

6 (c) An exemption authorized by Section 11.13(c) or (d),
7 11.132, 11.133, ~~or~~ 11.134, or 11.136 is effective as of January 1
8 of the tax year in which the person qualifies for the exemption and
9 applies to the entire tax year.

10 SECTION 3. Sections 11.43(c) and (k), Tax Code, are amended
11 to read as follows:

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

1 to file the new application unless the chief appraiser complies
2 with the requirements of Subsection (q), if applicable.

3 (k) A person who qualifies for an exemption authorized by
4 Section 11.13(c) or (d), ~~11.132~~, or 11.136 must apply for the
5 exemption no later than the first anniversary of the date the person
6 qualified for the exemption.

7 SECTION 4. Section 11.439(a), Tax Code, is amended to read
8 as follows:

9 (a) The chief appraiser shall accept and approve or deny an
10 application for an exemption under Section 11.131, ~~11.132~~, or
11 11.136 for the residence homestead of a disabled veteran but not the
12 surviving spouse of the disabled veteran or Section 11.22 after the
13 filing deadline provided by Section 11.43 if the application is
14 filed not later than five years after the delinquency date for the
15 taxes on the property.

16 SECTION 5. Section 26.10(b), Tax Code, is amended to read as
17 follows:

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

25 (1) subtracting:

26 (A) the amount of the taxes that otherwise would
27 be imposed on the former residence homestead for the entire year had

1 the owner qualified for the residence homestead exemption for the
2 entire year; from

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

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

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

13 SECTION 6. Section [26.1127](#), Tax Code, is amended to read as
14 follows:

15 Sec. 26.1127. CALCULATION OF TAXES ON ~~[DONATED]~~ RESIDENCE
16 HOMESTEAD OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~ OR SURVIVING
17 SPOUSE OF CERTAIN DISABLED VETERANS ~~[VETERAN]~~. (a) Except as
18 provided by Section [26.10](#)(b), if at any time during a tax year
19 property is owned by an individual who qualifies for an exemption
20 under Section [11.132](#) or 11.136, the amount of the tax due on the
21 property for the tax year is calculated as if the individual
22 qualified for the exemption on January 1 and continued to qualify
23 for the exemption for the remainder of the tax year.

24 (b) If an individual qualifies for an exemption under
25 Section [11.132](#) or 11.136 with respect to the property after the
26 amount of the tax due on the property is calculated and the effect
27 of the qualification is to reduce the amount of the tax due on the

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

10 SECTION 7. Section [31.031\(a\)](#), Tax Code, is amended to read
11 as follows:

12 (a) This section applies only to:

13 (1) an individual who is:

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

15 (B) qualified for an exemption under Section
16 [11.13\(c\)](#); or

17 (2) an individual who is:

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

20 (B) qualified for an exemption under Section
21 [11.132](#), [11.136](#), or [11.22](#).

22 SECTION 8. Section [140.011\(c\)](#), Local Government Code, is
23 amended to read as follows:

24 (c) For the purposes of this section, the amount of a local
25 government's lost ad valorem tax revenue for a fiscal year is
26 calculated by multiplying the ad valorem tax rate adopted by the
27 local government under Section [26.05](#), Tax Code, for the tax year in

1 which the fiscal year begins by the sum of:

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

5 (2) the total dollar amount of the portion of the
6 appraised value of all property located in the local government
7 that is exempt from taxation under Section 11.136, Tax Code, for
8 that tax year.

9 SECTION 9. This Act applies only to ad valorem taxes imposed
10 for an ad valorem tax year that begins on or after the effective
11 date of this Act.

12 SECTION 10. It is the intent of the 89th Legislature,
13 Regular Session, 2025, that the amendments made by this Act be
14 harmonized with another Act of the 89th Legislature, Regular
15 Session, 2025, relating to nonsubstantive additions to and
16 corrections in enacted codes.

17 SECTION 11. This Act takes effect January 1, 2026, but only
18 if the constitutional amendment proposed by the 89th Legislature,
19 Regular Session, 2025, authorizing the legislature to provide for
20 an exemption from ad valorem taxation of part of the market value of
21 the residence homestead of a partially disabled veteran or the
22 surviving spouse of such a veteran based on the disability rating of
23 the veteran is approved by the voters. If that amendment is not
24 approved by the voters, this Act has no effect.