

RESOLUTION ANALYSIS

C.S.H.J.R. 67
By: Sheets
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, a disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns. Interested parties contend that this exemption should be based on a percentage of assessed value, rather than a flat dollar amount. C.S.H.J.R. 67 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

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

ANALYSIS

C.S.H.J.R. 67 proposes an amendment to the Texas Constitution to change the property tax exemption the legislature may grant by general law for a disabled veteran of the U.S. armed services as follows: from up to \$5,000 in property value to 7.91 percent of the assessed value of the property, for a veteran having a disability rating of not less than 10 percent but less than 30 percent; from up to \$7,500 in property value to 11.86 percent of the assessed value of the property, for a veteran having a disability rating of not less than 30 percent but less than 50 percent; from up to \$10,000 in property value to 15.82 percent of the assessed value of the property, for a veteran having a disability rating of not less than 50 percent but less than 70 percent; and from up to \$12,000 in property value to 18.98 percent of the assessed value of the property, for a veteran who has a disability rating of 70 percent or more, for a veteran who has a disability rating of not less than 10 percent and has attained the age of 65, or for a disabled veteran whose disability consists of the loss or loss of use of one or more limbs, total blindness in one or both eyes, or paraplegia.

C.S.H.J.R. 67 repeals Section 2(d), Article VIII, Texas Constitution, relating to setting the maximum amounts of the property tax exemptions for certain disabled veterans authorized in the Tax Code at the maximum amounts permitted under the constitution.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.J.R. 67 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the resolution.

INTRODUCED

SECTION 1. Section 1-b(i), Article VIII, Texas Constitution, is amended to read as follows:

(i) The legislature by general law may exempt from ad valorem taxation all or part of the market value of the residence homestead of a disabled veteran who is certified as having a service-connected disability with a disability rating of at least 80 [100] percent [or totally disabled] and may provide additional eligibility requirements for the exemption. For purposes of this subsection, "disabled veteran" means a disabled veteran as described by Section 2(b) of this article.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 84th Legislature, Regular Session, 2015, authorizing the legislature to exempt all or part of the residence homesteads of certain disabled veterans from ad valorem taxation.

(b) The amendment to Section 1-b(i), Article VIII, of this constitution takes effect January 1, 2016, and applies only to ad valorem taxes imposed for a tax year beginning on or after that date.

(c) This temporary provision expires January 1, 2017.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

No equivalent provision.

SECTION 1. Section 2(b), Article VIII, Texas Constitution, is amended to read as follows:

(b) The legislature by general law [~~Legislature~~] may~~[, by general law,]~~ exempt property owned by a disabled veteran or by the surviving spouse and surviving minor children of a disabled veteran. A disabled veteran is a veteran of the armed services of the United States who is classified as disabled by the United States Department of Veterans Affairs [~~Veterans' Administration~~] or by a successor to that agency or by the

military service in which the veteran served. A veteran who is certified as having a disability of less than 10 percent is not entitled to an exemption. A veteran having a disability rating of not less than 10 percent but less than 30 percent may be granted an exemption from taxation for property of 7.91 percent of the assessed value of the property ~~[valued at up to \$5,000]~~. A veteran having a disability rating of not less than 30 percent but less than 50 percent may be granted an exemption from taxation for property of 11.86 percent of the assessed value of the property ~~[valued at up to \$7,500]~~. A veteran having a disability rating of not less than 50 percent but less than 70 percent may be granted an exemption from taxation for property of 15.82 percent of the assessed value of the property ~~[valued at up to \$10,000]~~. A veteran who has a disability rating of 70 percent or more, or a veteran who has a disability rating of not less than 10 percent and has attained the age of 65, or a disabled veteran whose disability consists of the loss or loss of use of one or more limbs, total blindness in one or both eyes, or paraplegia, may be granted an exemption from taxation for property of 18.98 percent of the assessed value of the property ~~[valued at up to \$12,000]~~. The spouse and children of any member of the United States Armed Forces who dies while on active duty may be granted an exemption from taxation for property valued at up to \$5,000. A deceased disabled veteran's surviving spouse and children may be granted an exemption which in the aggregate is equal to the dollar amount of the exemption to which the veteran was entitled when the veteran died.

No equivalent provision.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 2015. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to exempt all or part of the residence homesteads of certain disabled veterans from ad valorem taxation."

SECTION 2. Section 2(d), Article VIII, Texas Constitution, is repealed.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 2015. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing the legislature to exempt from ad valorem taxation a percentage of the assessed value of property owned by certain disabled veterans."