

BILL ANALYSIS

H.B. 3002
By: Miller
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that certain partially disabled veterans and the surviving spouses of deceased partially disabled veterans should be entitled to a property tax exemption based on the veteran's disability rating. H.B. 3002 seeks to establish such an exemption.

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. 3002 amends the Tax Code to entitle a disabled veteran who has a disability rating of at least 80 percent but less than 100 percent to an exemption from property taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating. The bill entitles the surviving spouse of a disabled veteran who qualified for such an exemption of a percentage of the appraised value of the disabled veteran's residence homestead when the disabled veteran died to an exemption from taxation of the same percentage of the appraised value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried since the death of the disabled veteran and the property was the residence homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse. The bill entitles a surviving spouse who subsequently qualifies a different property as the surviving spouse's residence homestead to an exemption from taxation of the subsequently qualified residence homestead in an amount equal to the dollar amount of the exemption from taxation of the former residence homestead in the last year in which the surviving spouse received an exemption for that residence homestead if the surviving spouse has not remarried since the death of the disabled veteran. The bill entitles such a spouse to receive from the chief appraiser of the appraisal district in which the former residence homestead 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 residence homestead.

H.B. 3002 makes an exemption established by the bill effective as of January 1 of the tax year in which the person qualifies for the exemption and applicable to the entire tax year and includes such an exemption among those that, once allowed, need not be claimed in subsequent years and that apply to the property until it changes ownership or qualification for the exemption changes, subject to confirmation by the chief appraiser. The bill includes a person who qualifies for such an exemption among those required to apply for the exemption for which they qualify no later

than the first anniversary of the date of qualification. The bill subjects an exemption established by the bill to statutory provisions relating to a late application for certain homestead exemptions and the proration of taxes following the loss of a homestead exemption. The bill makes statutory provisions relating to the calculation of taxes on the donated residence homesteads of certain disabled veterans or their surviving spouses applicable to the calculation of taxes on the residence homestead of a person who qualifies for an exemption established by the bill.

H.B. 3002 reenacts and amends Section 31.031(a), Tax Code, as amended by Chapters 122 (H.B. 97), 643 (H.B. 709), and 935 (H.B. 1597), Acts of the 83rd Legislature, Regular Session, 2013, to conform to changes made by Chapter 122 (H.B. 97), Acts of the 83rd Legislature, Regular Session, 2013, and to make statutory provisions authorizing installment payments of property taxes imposed on certain residence homesteads applicable to an individual who is a disabled veteran or the unmarried surviving spouse of a disabled veteran and qualified for an exemption established by the bill.

EFFECTIVE DATE

January 1, 2018, if the constitutional amendment authorizing the legislature to provide for an exemption from property taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran based on the disability rating of the veteran and harmonizing certain related provisions of the constitution is approved by the voters.