

SUBJECT: Constitutional amendment to provide homestead exemption to certain vets

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 7 ayes — Hilderbran, Otto, Bohac, Button, Gonzalez, Ritter, Strama

0 nays

2 absent — Eiland, Martinez Fischer

WITNESSES: For — (*Registered but did not testify*: Jorge De Leon, Operation Finally Home; Louis Flores; Cheryl Johnson, Galveston County Tax Office; Scott Norman, Texas Association of Builders; Tony Privett, West Texas Home Builders Association; Daniel Vargas, Operation Finally Home)

Against — None

BACKGROUND: Texas Constitution, Art.8, sec. 1-b (j) allows the Legislature to 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 100 percent or totally disabled and provide additional eligibility requirements for the exemption.

DIGEST: HRJ 24 would propose an amendment to the Texas Constitution adding a subsection that would allow the Legislature to exempt from ad valorem taxation a percentage of the market value of the residence homestead of a disabled veteran or surviving spouse equal to the disabled veteran's percentage of disability if the residence homestead was donated by a charitable organization at no cost to the veteran.

The resolution would allow the legislature to provide additional eligibility requirements for the exemption.

The resolution would not affect whether a qualified disabled veteran was entitled to another exemption for veterans that was granted in the Constitution for which he or she may qualify.

The proposal would be presented to the voters at an election on Tuesday,

November 5, 2013. The ballot proposal would read: “The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem 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 if the residence homestead was donated to the disabled veteran by a charitable organization.”

**SUPPORTERS  
SAY:**

HJR 24 would allow for legislation to help certain disabled veterans injured during their military service to stay in homes that were donated to them by charitable organizations. Texas home builders and charitable organizations have given homes to disabled veterans, and this resolution would allow legislation to ensure that the homes did not become a burden because the veteran could not pay the property taxes.

The exemption would help veterans who are partially disabled and given a home from a charitable organization; they would receive a property tax exemption equal to their disability rating. The homesteads of 100 percent-disabled veterans and their surviving spouses already are totally exempt under current law. But veterans with a partial disability who are given a home deserve a property tax exemption. Their service injuries may limit their job opportunities, and the tax liability on a donated home could become an expensive burden.

These donated homes are a tangible way to help a returning disabled veteran transition back to a civilian life after being injured in their military service, and this resolution would allow legislation that would seek to ensure that veterans could remain in them. Disabled veterans who have received homes have had the freedom to pursue education, find a suitable job, and start a business.

The resolution is tailored to apply only to veterans who were disabled during their military service and are recipients of a home from a charitable organization. This tax exemption would be appropriate considering what these veterans sacrificed.

**OPPONENTS  
SAY:**

HJR 24 would put Texas on the slippery slope of carving out a property tax exemption for certain groups. Singling out one group for a tax exemption, regardless of how deserving, raises issues of uniformity in taxation and could open the door for continued erosion of the tax base.

**NOTES:**

The Legislative Budget Board estimates that the adoption of the proposed

constitutional amendment's fiscal impact would depend on the enabling legislation.