

SUBJECT: Property-tax exemption for surviving spouses of certain service members

COMMITTEE: Ways and Means — favorable, without amendment

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

0 nays

2 absent — Eiland, Martinez Fischer

WITNESSES: For — Elizabeth Lewis; (*Registered, but did not testify*: Robert Flores, American GI Forum of Texas; Malia Fry; Cheryl Johnson, Galveston County Tax Office; Stefanie Pelkey)

Against — None

BACKGROUND: Under Texas Constitution, Art. 8, sec. 1(a) the taxation of property must be done equally and uniformly. Under Art. 8, sec. 20, property generally is taxed at its market value. Art. 8, sec. 1(b) requires that any property tax exemptions be authorized by the Constitution.

DIGEST: HJR 62 would allow the Legislature to provide an exemption to the surviving spouse of a member of the U.S. armed services who was killed in action for all or part of the total appraised value of the surviving spouse's residence homestead, if:

- the surviving spouse had not remarried since the death of the member of the armed services; and
- the property was the residence homestead of the member of the armed services at the time of death.

HJR 62 would allow the Legislature to provide that the exemption follow the surviving spouse to a new homestead. The exemption would be limited to the dollar amount of the exemption in the prior qualifying homestead. The exemption would end if the surviving spouse remarried.

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 all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.”

**SUPPORTERS  
SAY:**

HJR 62 would allow for spouses of active duty service members who were killed in action to receive a property tax exemption for all or part of the total appraised value of the surviving spouse’s residence homestead. During the past several years, Texas has been a national leader in honoring the service and sacrifice of veterans and their families — not just with words, but with meaningful assistance. In this spirit, the enabling legislation, HB 548 by C. Turner, et al., would implement HJR 62 to its full extent by providing an exemption for the total appraised value of the surviving spouse’s residence homestead.

Four years ago, Texans voted to amend the Constitution to grant veterans who were rated 100 percent disabled a complete property tax exemption. Last session, the voters extended that exemption to a veteran’s surviving spouse to protect against sudden spikes in property taxes due. The Legislature should extend this same principle to the surviving spouses of military members killed in action.

HJR 62 would provide real assistance to a surviving spouse who, after the awful shock of losing a husband or wife, must suddenly try to prepare for the future. According to the comptroller, the average Texas homeowner pays about \$3,170 a year in property taxes. For many taxpayers, these taxes are due in a lump sum. HJR 62 would provide real relief to surviving spouses in a time of need.

Under the proposed resolution, a surviving spouse would lose the property tax exemption upon remarriage because the exemption would be designed to help offset the loss of income the service member brought to the marriage. If and when a surviving spouse remarried, the assistance should no longer be needed. HJR 62 would not provide an incentive against remarriage that skews marriage rates because the bill only would apply to a small number of surviving spouses.

The property tax exemptions enabled by HJR 62 would not be an economic drain on local governments or the state. According to the fiscal note for the enabling legislation, HB 548 would cost the state only \$94,000 during fiscal 2014-15 in providing a total exemption.

OPPONENTS  
SAY:

No one disagrees with granting benefits to the spouses of those who were killed in action, but HJR 62 would reduce revenue available to local governments. If the Legislature continues to expand the groups of people who are awarded total property tax exemptions, local governments will need to raise property taxes on the groups that remain in order to stay revenue neutral.

The loss of the exemption upon remarriage could, for some people, provide an economic incentive against remarriage. A surviving spouse receiving the exemption should not have to choose between personal happiness and economic security in decisions about marrying again.

NOTES:

According to the fiscal note for HJR 62, the cost of publication of the proposed constitutional amendment is \$108,921.

The enabling legislation, HB 548 by C. Turner, et al., was scheduled for second-reading consideration on the general state calendar for May 8.