

- SUBJECT:** Authorizing homestead exemptions for spouses of disabled veterans
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 11 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Parker, Springer, C. Turner, Wray
- 0 nays
- WITNESSES:** For — (*Registered, but did not testify:* Ned Munoz, Texas Association of Builders)
- Against — None
- On — (*Registered, but did not testify:* Mike Esparza and Tim Wooten, Comptroller of Public Accounts; Jeff Williford, Texas Veterans Commission)
- BACKGROUND:** Tax Code, sec. 11.131(b) fully exempts the residence homesteads of totally disabled veterans from property taxes.
- In 2011, the 82nd Legislature enacted SB 516 by Patrick and SJR 14 by Van de Putte, which fully exempt the residential homesteads of totally disabled veterans’ surviving spouses from property taxes if:
- the property received the full homestead exemption under the disabled veteran’s status;
 - the property was the residence homestead of the surviving spouse when the disabled veteran died;
 - the property remains the residence homestead of the surviving spouse; and
 - the surviving spouse has not remarried.
- The exemption is applied only to the homesteads of surviving spouses of totally disabled veterans who died after January 1, 2010, the effective date

of HB 3613 by Otto, which created Tax Code, sec. 11.131(b).

This exemption is allowed to follow the surviving spouse to a new homestead, although it would be limited to the dollar amount of the exemption in the prior qualifying homestead.

DIGEST:

HJR 75 would amend Texas Constitution, Art. 8 to extend the current homestead property tax exemption that applies to the surviving spouse of a totally disabled veteran who died on or after January 1, 2010, to include the surviving spouse of a totally disabled veteran who:

- died before January 1, 2010; and
- would have qualified for the full exemption on the homestead's entire value if it had been available to totally disabled veterans at that time.

A surviving spouse who otherwise qualified would be entitled to an exemption of the same portion of the market value of the same property to which the disabled veteran's exemption would have applied.

This change would apply only to tax years beginning on or after January 1, 2016.

The proposal would be presented to the voters at an election on Tuesday, November 3, 2015. 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 100 percent or totally disabled veteran who died before the law authorizing a residence homestead exemption for such a veteran took effect."

**SUPPORTERS
SAY:**

HJR 75, in conjunction with its enabling legislation, HB 992 by D. Bonnen, would allow the Legislature to provide a valuable form of tax relief for the families of deceased disabled veterans. Any fiscal impact on a single taxing district would be minimal, but the impact on individual families of totally disabled military veterans would be considerable.

Current law unintentionally creates two classes of surviving spouses of totally disabled veterans: those whose spouses died before January 1, 2010, and those whose spouses died on or after that date. Those whose spouses died before 2010 receive a full property tax exemption on their homesteads, but those whose spouses died after are not eligible to inherit qualification for the exemption.

According to estimates by the comptroller, this resolution would allow roughly 3,800 surviving spouses of totally disabled veterans who died before 2010 to claim this exemption, providing a lasting form of appreciation to those who have sacrificed so much.

**OPPONENTS
SAY:**

The Legislative Budget Board's fiscal note on the enabling legislation, HB 992 by D. Bonnen, indicates that school districts, municipalities, counties, and other special taxing districts (such as hospitals) would lose some tax revenue under the bill and proposed amendment. The Legislature should be mindful of HJR 75's potential impact on these local taxing entities.

NOTES:

The enabling legislation, HB 992 by D. Bonnen, is on today's calendar.

According to the Legislative Budget Board's fiscal note, the cost to the state for publication of the resolution is \$118,681.

The Senate companion resolution, SJR 40 by Zaffirini, was referred to the Senate Finance Committee on March 9.