

SUBJECT: Homestead exemption for partially donated homes of disabled veterans

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Y. Davis, Bohac, Darby, E. Johnson, Murphy,
Murr, Raymond, Shine, Stephenson

0 nays

1 absent — Springer

WITNESSES: For — (*Registered, but did not testify*: Scott Norman, Texas Association
of Builders; Julia Parenteau, Texas Association of Realtors)

Against — None

On — Mike Esparza, Comptroller of Public Accounts

BACKGROUND: Texas Constitution, Art. 8, sec. 1-b(1) allows the Legislature to provide a
partial homestead exemption for a partially disabled veteran equal to the
percentage of the disability only if that homestead was donated at no cost
to the disabled veteran. Tax Code, sec. 11.132 creates this exemption.

DIGEST: HJR 21 would amend Art. 8, sec. 1-b(1) of the Texas Constitution to
allow the Legislature to entitle a partially disabled veteran to a partial
homestead exemption on the value of a homestead that was donated at
some cost to the veteran, as long as the cost was less than the market value
of the homestead.

The ballot proposal would be presented to voters at an election on
November 7, 2017. The 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 for less than the market

value of the residence homestead and harmonizing certain related provisions of the Texas Constitution.”

**SUPPORTERS
SAY:**

HJR 21 would allow the Legislature to fix an anomaly in current law that can increase the financial burden on a partially disabled veteran who paid some amount of the cost of a donated home. Unlike a partially disabled veteran whose home is donated in full, a veteran who paid part of the cost of a donated home receives no property tax exemption on its taxable value. This can lead to a sizable property tax bill that the recipient may not have anticipated and an ongoing cost that the veteran may not have the income to offset. Veterans in this situation are at risk of losing a donated home to unpaid property taxes, even if that home was built or renovated specifically for the individual's disabilities, with features such as wheelchair-accessibility.

Veterans have sacrificed much for the state, and the Legislature should afford them certain benefits and attempt to address injustices when it finds them. In this spirit, HJR 21 would confer the same well-earned property tax exemption to a partially disabled veteran who paid something toward the value of a donated home that is currently received by disabled veterans whose homes were donated in full. No disabled veteran should be at risk of losing a home that is specifically donated to accommodate their needs due to an ongoing, unaffordable property tax burden.

**OPPONENTS
SAY:**

HJR 21 would continue a pattern of giving carve-outs and exemptions to specific groups of people, when instead the Legislature should focus its efforts on reducing the tax burden on everyone.

NOTES:

According to the Legislative Budget Board's fiscal note, HJR 21 would cost \$114,369 to publish the resolution.

HB 150 by Bell is the enabling legislation for HJR 21. Contingent on voter approval of HJR 21, HB 150 would entitle a partially disabled veteran to a partial homestead exemption for a home that was donated at some cost to the veteran, as long that cost was no more than 50 percent of its market value.

HB 150 passed the House on second reading May 6. The HRO analysis of HB 150 appears in Part 2 of the Friday, May 5 *Daily Floor Report*.

A companion resolution, SJR 23 by Creighton, was referred to the Senate Committee on Veteran Affairs and Border Security on January 30.