

SUBJECT: Expanding eligibility for certain surviving spouse homestead exemption

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

1 absent — Martinez Fischer

SENATE VOTE: On final passage, April 8 — 29-1 (Johnson)

WITNESSES: For — (*Registered, but did not testify:* Mitch Fuller, Department of Texas, Veterans of Foreign Wars; J.D. Hale, Texas Association of Builders)

Against — None

On — (*Registered, but did not testify:* Korry Castillo, Comptroller of Public Accounts)

BACKGROUND: Under Tax Code sec. 11.133, the surviving spouse of a member of the U.S. armed services who is killed in action is entitled to an exemption from taxation of the total appraised value of the spouse's residence homestead if the spouse has not remarried.

DIGEST: SB 611 would expand the eligibility for the residence homestead tax exemption provided to the surviving spouse of a member of the U.S. armed services. The bill would specify that the surviving spouse was entitled to the exemption if the member was killed or fatally injured in the line of duty, rather than killed in action.

The bill would take effect January 1, 2022, but only if the constitutional amendment revising the residence homestead exemption was approved by voters. If not approved, the bill would have no effect. The bill would apply only to a tax year beginning on or after the effective date.

**SUPPORTERS
SAY:**

SB 611 would correct an oversight in current law by providing the residence homestead tax exemption to all surviving spouses of members of the U.S. armed services killed in the line of duty. Currently, the exemption is provided to spouses of members killed in action, which does not include incidents such as accidental vehicle crashes and other non-hostile events or terrorism. This means that surviving spouses of members who died in accidents or events that were not combat-related are not eligible for the property tax exemption on the total value of their residence homestead for which other surviving spouses are eligible. By expanding the eligibility to include surviving spouses of members who were killed or fatally injured in the line of duty, rather than just those killed in action, SB 611 would allow all surviving spouses to receive this exemption.

The legislation would apply to fewer than 10 individuals per year according to federal data, so there would not be a large impact to taxing units. Those who have been killed in tragic accidents have given their lives for their country, and their sacrifice is equally deserving of the exemption as those who were killed in active combat. SB 611 would ensure they were treated the same.

**CRITICS
SAY:**

SB 611 would expand a property tax exemption provided to one group of people, increasing the tax burden on other property owners. The Legislature should instead work to lower the tax burden on all Texans.

NOTES:

According to the fiscal note, the bill could reduce taxable property values and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas. The bill could cost special districts \$230,000, cities \$288,000, and counties \$266,000 in fiscal 2023.

SB 611 is the enabling legislation for SJR 35 by Campbell (Lopez), which was reported favorably by the House Ways and Means Committee on May 10 and placed on the Constitutional Amendments Calendar for May 21.