

BILL ANALYSIS

Senate Research Center
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S.B. 163
By: Van de Putte
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 163 requires a 100 percent property tax exemption for the residence homestead of the spouse of an active duty service member who is killed in combat (i.e. a Gold Star Spouse). During the 81st Legislature, such property tax exemptions were approved for 100 percent disabled veterans and the 82nd Legislature extended the exemption to the surviving spouses of those veterans.

The Texas Legislature has shown a bipartisan commitment to providing property tax relief to veterans who have paid a great price in the service of the United States. This bill, and its accompanying constitutional amendment, will show the Texas Legislature's commitment to families when a service member pays the ultimate price of service. The constitutional amendment for this bill is S.J.R. 16.

As proposed, S.B. 163 amends current law relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.132, as follows:

Sec. 11.132. RESIDENCE HOMESTEAD OF SURVIVING SPOUSE OF MEMBER OF ARMED SERVICES KILLED IN ACTION. (a) Defines, in this section, "residence homestead" and "surviving spouse."

(b) Entitles the surviving spouse of a member of the armed services of the United States who is killed in action to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has 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 when the member died.

(c) Entitles a surviving spouse, if the surviving spouse who qualifies for an exemption under Subsection (b) subsequently qualifies a different property as the surviving spouse's residence homestead, to an exemption from taxation of the subsequently qualified homestead in an amount equal to the dollar amount of the exemption from taxation of the former homestead under Subsection (b) in the last year in which the surviving spouse received an exemption under that subsection for that homestead if the surviving spouse has not remarried since the death of the member of the armed services. Entitles the surviving spouse to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a written certificate providing the information necessary to determine

the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

SECTION 2. Amends Section 11.43(c), Tax Code, to create an exception under Section 11.132.

SECTION 3. Amends Section 11.431(a), Tax Code, to require the chief appraiser to accept and approve or deny an application for a residence homestead exemption, including an exemption under Section 11.131 (Residence Homestead of 100 Percent or Totally Disabled Veteran) for the residence homestead of a disabled veteran or the surviving spouse of a disabled veteran or an exemption under Section 11.132 for the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action, after the deadline for filing it has passed if it is filed not later than one year after the delinquency date for the taxes on the homestead.

SECTION 4. Amends Section 403.302(d-1), Government Code, to provide that, for purposes of Subsection (d) (defining "taxable value"), a residence homestead that receives an exemption under Section 11.131 or 11.132, Tax Code, in the year that is the subject of the study is not considered to be taxable property.

SECTION 5. Provides that Section 11.132, Tax Code, as added by this Act, applies only to a tax year beginning on or after January 1, 2014.

SECTION 6. Provides that this Act takes effect January 1, 2014, but only if the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, 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 is approved by voters.