

BILL ANALYSIS

Senate Research Center
85R987 TJB-D

H.B. 150
By: Bell et al. (Creighton)
Veteran Affairs & Border Security
5/15/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Several charitable organizations donate specially adapted homes to returning soldiers who have sustained injuries while serving their country. Occasionally, these donations would result in foreclosure because the disabled veteran was unable to pay property taxes on the donated home. In 2013, the 83rd Legislature enacted H.B. 97 to establish a property tax exemption of a percentage of the appraised value of the residence homestead equal to the disability rating of a partially disabled veteran if the homestead was donated to the disabled veteran by a charitable organization.

Under the current law, a partially disabled veteran who receives a home from a charitable organization is only entitled to the exemption if the home is donated at no cost to the veteran. If the charitable organization does not completely donate the home, then the veteran is not entitled to the exemption. H.B. 150 remedies this by extending the exemption to a home that was donated to the veteran at some cost to the veteran.

H.B. 150 amends Chapter 11, Tax Code, to entitle a disabled veteran who has a disability rating of less than 100 percent to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

H.B. 150 amends current law relating to the exemption from ad valorem taxation of part of the appraised 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.

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 Section 11.132(b), Tax Code, as follows:

(b) Provides that a disabled veteran who has a disability rating of less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled veteran or at some cost in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

SECTION 2. Provides that this Act only applies to ad valorem taxes imposed for an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2018, contingent upon approval by the voters of a constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, 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.