

BILL ANALYSIS

Senate Research Center
85R3734 CJC-D

S.B. 15
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Finance
2/23/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

On July 7, 2016, five Dallas first responders were murdered in the line of duty. Unfortunately, the Dallas community is not the only one to have suffered the loss of a first responder in the line of duty in recent months. Harris County, San Antonio, and Little Elm have dealt with this tragedy as well. The bravery shown by these individuals, and all those who make the ultimate sacrifice in order to protect Texans, deserves to be recognized and honored.

With property taxes on the rise across the state, many Texas families have faced serious financial problems, some even being taxed out of their homesteads. After already giving so much, the families of fallen first responders should never have to bear the burden of losing their home because of the price of property taxes.

S.B. 15 provides a property tax exemption on the resident homestead of the surviving spouse of a first responder who is killed in the line of duty. The exemption is available for all surviving spouses, regardless of the date of the first responder's death, so long as he or she was married to the first responder at the time and has not since remarried.

The legislature provided a similar exemption, S.B. 163, 83rd Legislature, Regular Session, 2013, for the surviving spouse of U.S. service members killed in the line of duty. The ballot proposition enabling that piece of legislation was overwhelmingly approved by the voters with a margin of 87 percent to 13 percent. S.B. 15 is a logical and necessary expansion of this legislation.

As proposed, S.B. 15 amends current law relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

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 11.134, as follows:

Sec. 11.134. RESIDENCE HOMESTEAD OF SURVIVING SPOUSE OF FIRST RESPONDER KILLED IN LINE OF DUTY. (a) Defines "first responder," "residence homestead," and "surviving spouse."

(b) Provides that the surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled 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 first responder. Provides that the exemption applies regardless of the date of the first responder's death if the surviving spouse otherwise meets the qualifications.

(c) Provides that a surviving spouse who receives an exemption for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption in the last year in which the surviving spouse received that exemption, if the surviving spouse has not remarried since the first responder's death. Provides that the surviving spouse is entitled to receive, from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption 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 11.42(c), Tax Code, to include Section 11.134 as one of certain sections under which an authorized exemption is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year.

SECTION 3. Amends Section 11.43(c), Tax Code, to include Section 11.134 in the list of certain exemptions that, once allowed, need not be claimed in subsequent years with certain exceptions.

SECTION 4. Amends Section 11.431(a), Tax Code, to include an exemption under Section 11.134, for the residence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty, for which the chief appraiser is required to accept and approve or deny an application for a residence homestead exemption 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. Makes a nonsubstantive change.

SECTION 5. Amends Section 26.10(b), Tax Code, to include Section 11.134 among certain residence homestead exemptions that, if shown on an appraisal roll under certain circumstances, means the tax due against a former residence homestead is calculated in certain ways.

SECTION 6. Amends Section 26.112, Tax Code, as follows:

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF CERTAIN PERSONS. (a) Includes Section 11.134 among certain exemptions qualifying an individual's property for a tax calculated in a certain way.

(b) Includes Section 11.134 in certain exemptions that, if an individual qualifies, require the assessor for each taxing unit to recalculate the amount of tax due on the property and correct the tax roll.

SECTION 7. Amends Section 403.302(d-1), Government Code, to include Section 11.134 among certain exemptions under which a resident homestead is not considered to be taxable property.

SECTION 8. Provides that Section 11.134, Tax Code, applies only to a tax year beginning on or after January 1, 2018.

SECTION 9. Effective date: January 1, 2018, contingent upon approval by the voters of 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 first responder who is killed or fatally injured in the line of duty.