

- SUBJECT:** Spouses inheriting totally disabled veteran's homestead tax exemption
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 7 ayes — Hilderbran, Otto, Elkins, Gonzalez, Lyne, Murphy, Woolley  
0 nays  
4 absent — Christian, Martinez Fischer, Ritter, Villarreal
- SENATE VOTE:** On final passage, May 12 — 31-0
- WITNESSES:** No public hearing
- BACKGROUND:** Tax Code, sec. 11.131 fully exempts the residential homesteads of totally disabled veterans from property taxes.
- DIGEST:** SJR 14 would allow the surviving spouse of a totally disabled veteran to continue to receive the property tax exemption for a residential homestead after the veteran's death. A homestead would qualify if:
- it had received the exemption from property taxes under the disabled veteran's exemption;
  - the property was the residence homestead of the surviving spouse when the disabled veteran died;
  - the property remained the residence homestead of the surviving spouse; and
  - the surviving spouse had not remarried.
- SJR 14 would allow the exemption to follow the surviving spouse to a new homestead. The exemption would be limited to the dollar amount of the exemption in the prior qualifying homestead. The exemption would end if the surviving spouse remarried.
- The change would apply starting with the tax year beginning January 1, 2012, and would apply only to tax years after that date.

The proposal would be presented to the voters at an election on Tuesday, November 8, 2011. The ballot proposal would read: “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 100 percent or totally disabled veteran.”

**SUPPORTERS  
SAY:**

Current law provides a full exemption from property taxes on the residential homesteads of totally disabled veterans. Unfortunately, this exemption does not transfer to a surviving spouse upon the death of a veteran. As a result, the loss sustained by the surviving spouse is compounded by the need to ascertain how to pay for unexpected property tax bills.

As these disabled veterans face their final years, their greatest concern relates to the fate of their families. SJR 14 and its accompanying enabling legislation would provide them with some measure of peace of mind.

Texas already grants certain surviving spouses the right to inherit other property tax breaks. For instance, the school tax freeze awarded to the owner of a residential homestead at age 65 is transferable to a surviving spouse as long as the spouse is at least 55 years old at the time of the transfer. SJR 14 and its enabling legislation would be a sensible extension of this policy.

SJR 14 would help to contain the cost of this exemption by allowing it to follow the surviving spouse into a new homestead property. If the surviving spouse moved to a less valuable property, then the more valuable original homestead would be returned to the property tax rolls. If the surviving spouse moved to a more valuable property, the spouse would be able to exempt only the value of the original homestead.

**OPPONENTS  
SAY:**

By extending the time that certain properties remain exempted from property taxes, SJR 14 would decrease ad valorem revenue to local governments. The state should not grant tax exemptions when schools, health care, and other essential programs are critically underfunded

**NOTES:**

The enabling legislation, SB 516 by Patrick, is on today’s General State Calendar.