

- SUBJECT:** Allowing a homestead exemption for certain partially disabled veterans
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 8 ayes — D. Bonnen, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 1 nay — Y. Davis
- 2 absent — Bohac, E. Johnson
- WITNESSES:** For — (*Registered, but did not testify:* Alexie Swirsky)
- Against — Hilary Shine, City of Killeen; (*Registered, but did not testify:* Tom Tagliabue, City of Corpus Christi; Jerry Bark, City of Harker Heights; Dana Blanton)
- BACKGROUND:** Texas Constitution, Art. 8, sec. 1-b(i) authorizes the Legislature to provide a partial or total residence homestead exemption to a 100 percent disabled veteran.
- Sec. 1-b(j) allows the Legislature to provide a partial or total residence homestead exemption to the surviving spouse of a 100 percent disabled veteran, provided that the spouse had not remarried, the property was the spouse's residence homestead at the time of the veteran's death, and the property remained the spouse's residence homestead.
- Art. 8, sec. 2(b) allows the Legislature by general law to exempt property owned by a disabled veteran or surviving spouse and minor children from property taxes. A veteran with a disability rating of at least 10 percent is eligible, with exemptions ranging up to \$12,000, depending on disability rating, age, and type of disability.
- DIGEST:** HJR 27 would amend the Texas Constitution to allow the Legislature to entitle a partially disabled veteran to a homestead exemption in an amount equal to the percentage of the veteran's disability rating. To qualify, a

partially disabled veteran would have to be certified with a disability rating of at least 80 percent but less than 100 percent. The Legislature could provide additional eligibility requirements for the exemption.

Conditions under Texas Constitution, Art. 8, sec. 2(b) would not apply to the homestead exemption for partially disabled veterans under the resolution.

The resolution also would allow the Legislature to provide the surviving spouse of a qualified, partially disabled veteran a homestead exemption of the same percentage to which the disabled veteran was entitled, provided the surviving spouse met the conditions under Art. 8, sec. 1-b(j).

The ballot proposal would be presented to voters at an election on November 7, 2017. The proposal would read: "The constitutional amendment 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 based on the disability rating of the veteran and harmonizing certain related provisions of the constitution."

**SUPPORTERS
SAY:**

HJR 27 would signal that Texas honors the sacrifices of its veterans and families by providing some of the most severely disabled veterans with a homestead exemption equal to their disability rating.

Current law provides partially disabled veterans an exemption on one property in a preset dollar amount based on disability rating and other factors, up to \$12,000. One hundred percent disabled veterans are entitled to a total homestead exemption. Veterans who are at least 80 percent disabled deserve property tax relief for their service beyond the exemption amounts available for partially disabled veterans.

The proposed exemption for partially disabled veterans could help prevent them from being taxed out of their homes and would not inordinately burden military communities. HJR 27 would not create a total homestead exemption, and the disabled veteran still would pay the remaining

percentage of taxes due. Further, the enabling legislation, HB 129 by Leach, would reduce the impact to certain communities by adding the exemption into the calculation for eligibility to receive state assistance to make up for a portion of the revenue lost to homestead exemptions for certain disabled veterans.

OPPONENTS
SAY:

HJR 27 would allow the Legislature to place a requirement on local governments that could disproportionately harm military communities by allowing for the erosion of local government property tax bases. Exempting a specific category of people, regardless of how deserving they may be, also results in an increased tax burden on other homeowners.

NOTES:

CSHB 129 by Leach, the enabling legislation for HJR 27, is set for second-reading consideration on today's calendar.

According to the Legislative Budget Board, HJR 27 would have no fiscal implication to the state other than the cost for publication of the resolution, which would be \$114,369. Any additional fiscal implication would be attributable to the resolution's enabling legislation.