

BILL ANALYSIS

Senate Research Center
77R6258 SMH-D

S.B. 658
By: Barrientos
Veteran Affairs & Military Installations
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As Filed

DIGEST AND PURPOSE

Currently, there is a disparity in the exemption amounts defined by the constitution and lower, superceded amounts listed in the corresponding tax code section. As proposed, S.B. 658 amends the tax code section describing property tax exemptions available to disabled veterans and their family. S.B. 658 also improves the exemption amounts to match levels currently allowed within the constitution and increases the age of surviving children who are eligible for the exemption.

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 Sections 11.22(a)-(d), Tax Code, as follows:

- (a) Provides that a disabled veteran is exempt from taxation of a portion of the property owned and designated as provided by Subsection (f) of this section, and provides that the exempted amounts of the assessed value change from \$1,500 to \$5000, \$2,000 to \$7,500, \$2,500 to \$10,000, and \$3,000 to \$12,000;
- (b) Makes a conforming change.
- (c) Provides that if a veteran's spouse does not survive the veteran, the veteran's surviving children who are younger than 30, rather than 18, years of age and unmarried are entitled to an exemption from taxation of a portion of the assessed value of a property the child owns and designates as provided by Subsection (f). Provides that the amount of exemption for each eligible child is the amount of the veteran's exemption at time of death. Deletes text regarding computing the amount of the exemption by dividing by the number of eligible children.
- (d) Provides that an individual's spouse and surviving children are entitled to an exemption from taxation of \$5,000, rather than \$2,500, and \$5,000, rather than a portion, respectively, of the assessed value of the property owned and designated as provided by Subsection (f), if the individual dies while on active duty as a member of the armed services of the United States. Deletes text regarding the method of computing the eligible child's exemption. Makes a conforming change.

SECTION 2. Effective date: January 1, 2002.

Makes application of the Act contingent upon passage and approval of the constitutional amendment proposed by the 77th Legislature, Regular Session, 2001, to authorize the legislature to set the amount of the ad valorem tax exemption for the surviving spouse and each child of a deceased disabled veteran in an amount equal to the amount of the exemption to which the disabled veteran was entitled.