

BILL ANALYSIS

Senate Research Center
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S.B. 357
By: Van de Putte et al.
Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 357 allows for the transfer of the 100 percent property tax exemption for 100 percent disabled veterans established through enactment of H.B. 3613, by the 81st Legislature, Regular Session, 2009, to the surviving spouse or child(ren). This exemption from taxation of the total appraised value of the veteran's residence homestead is found in Section 11.131 (Residence Homestead of 100 Percent or Totally Disabled Veteran), Tax Code.

There is a precedent for the transfer of a tax exemption to the surviving spouse of a disabled veteran. As set forth in Section 11.22 (Disabled Veterans), Tax Code, a disabled veteran is entitled to an exemption from taxation of \$12,000 of the assessed value of a property that the veteran owns and designates as his or her tax exempt property. If this disabled veteran dies, the veteran's surviving spouse is entitled to an exemption from taxation of a portion of the assessed value of a property the spouse owns and designates as eligible for the exemption. In addition, there is a precedent for transfer to the child — if the spouse does not survive the veteran, the veteran's surviving children younger than 18 are entitled to an exemption.

S.B. 357 makes surviving spouses of 100 percent disabled veterans eligible for an exemption of the total appraised value of the same property to which the 100 percent disabled veteran qualified if she remains unmarried since the death of the disabled veteran, the property was the residence homestead of the surviving spouse when the disabled veteran died, and it remains the residence homestead of the surviving spouse. If a disabled veteran who qualifies for an exemption dies while unmarried, the owner of the property is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied if, one or more of the disabled veteran's surviving children are younger than 18 years of age and unmarried, the property was the principal residence of one or more of the children described by the previous qualifier when the disabled veteran died, and the property remains the principal residence of one or more of those children who are younger than 18 years of age and unmarried.

As proposed, S.B. 357 amends current law relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran or the principal residence of the surviving minor children of such a disabled veteran.

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 11.131(a), Tax Code, by adding Subdivision (3), to define "child" and "surviving spouse."

SECTION 2. Amends Section 11.131, Tax Code, by adding Subsections (c) and (d), as follows:

- (c) Provides that the surviving spouse of a disabled veteran who qualified for an exemption under Subsection (b) (relating to a disabled veteran's entitlement to an exemption of taxation of the total appraised value of the veteran's residence homestead) is

entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied if:

(1) the surviving spouse has not remarried since the death of the disabled veteran; and

(2) the property was the residence homestead of the surviving spouse when the disabled veteran died, and remains the residence homestead of the surviving spouse.

(d) Provides that if a disabled veteran who qualifies for an exemption under Subsection (b) dies while unmarried, the owner of the property is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied if:

(1) one or more of the disabled veteran's surviving children are younger than 18 years of age and unmarried; and

(2) the property was the principal residence of one or more of the children described in Subdivision (1) when the disabled veteran died, and remains the principal residence of one or more of those children who are younger than 18 years of age and unmarried.

SECTION 3. Amends Section 11.431(a), Tax Code, as follows:

(a) Requires the chief appraiser to accept and approve or deny an application for a residence homestead exemption, including an exemption under Section 11.131 for the residence homestead of a disabled veteran or the surviving spouse of a disabled veteran, or an application for an exemption under that section of the principal residence of the surviving minor children of a disabled veteran, 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 property, rather than requires the chief appraiser to accept and approve or deny an application for a residence homestead exemption, including a disabled veteran 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.

SECTION 4. Provides that Section 11.131, Tax Code, as amended by this Act, applies only to a tax year beginning on or after January 1, 2012.

SECTION 5. Effective date: January 1, 2012, contingent upon approval by the voters of the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, relating to authorizing the legislature to provide for the exemption from ad valorem taxation of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran or the principal residence of the surviving minor children of such a disabled veteran in an amount equal to the amount of the residence homestead exemption to which the disabled veteran was entitled on the same property.