

## **BILL ANALYSIS**

Senate Research Center  
81R3823 UM-D

S.B. 469  
By: Carona et al.  
Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Chapter 11, Tax Code, sets forth provisions relating to taxable property and exemptions. Section 1-b(i), Article VIII, of the Texas Constitution allows for a complete exemption of the value of a totally disabled veteran's homestead from ad valorem property taxes.

Proposition 9, which passed on the November 2007 ballot, amended the Texas Constitution to authorize the legislature to establish an exemption on the residence homestead of a totally disabled veteran for purposes of property taxation, and aligned the state's property tax exemptions with federal disability ratings. However, the enacting legislation accompanying the constitutional amendment failed to pass.

As proposed, S.B. 469 amends Chapter 11, Tax Code, to entitle a veteran who receives 100 percent compensation due to a service-connected disability and rating of 100 percent disability or individual unemployability to an exemption from taxation of the total appraised value of the veteran's residence homestead. S.B. 469 amends the schedule of property tax exemptions for disabled veterans with certain disability ratings. S.B. 469 also amends provisions relating to the determination of school district property values as related to the amendments to Section 11.131, Tax Code.

### **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 11.131, as follows:

Sec. 11.131. RESIDENCE HOMESTEAD OF 100 PERCENT OR TOTALLY DISABLED VETERAN. (a) Defines "disabled veteran" and "residence homestead."

(b) Entitles a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability to an exemption from taxation of the total appraised value of the veteran's residence homestead.

SECTION 2. Amends Section 11.22(a), Tax Code, to amend the schedule under which a disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates as provided by Subsection (f), rather than Subsection (f) of this section.

SECTION 3. Amends Section 403.302 (Determination of School District Property Values), Government Code, by adding Subsection (d-1), to provide that, for purposes of Subsection (d), a residence homestead that receives an exemption under Section 11.131, Tax Code, in the year that is the subject of the study is not considered to be taxable property.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: January 1, 2010.