

- SUBJECT:** Allowing homestead exemptions for Purple Heart recipients and spouses
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — D. Bonnen, Y. Davis, Bohac, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 1 absent — E. Johnson
- WITNESSES:** No public hearing
- 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.
- DIGEST:** HJR 67 would authorize the Legislature to provide a partial or total residence homestead exemption to a recipient of the Purple Heart.
- The resolution also would allow the Legislature to provide a partial or total residence homestead exemption to the surviving spouse of a Purple Heart recipient, provided that the spouse had not remarried, the property was the spouse's residence homestead at the time of the recipient's death, and the property remained the spouse's residence homestead.
- The Legislature also could provide a qualifying surviving spouse who later relocated to a different residence homestead with an exemption equal to the amount of exemption of the former homestead in the last year that

the spouse received an exemption for that homestead.

The Legislature by general law could define “Purple Heart recipient” and could provide additional eligibility requirements for the authorized exemption.

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 all or part of the market value of the residence homestead of a Purple Heart recipient or the surviving spouse of a Purple Heart recipient."

If approved by the voters, the amendment would take effect January 1, 2018, and would apply only to taxes imposed for a tax year beginning on or after that date.

**SUPPORTERS  
SAY:**

HJR 67 would clearly signal that Texas honors the sacrifices of its Purple Heart recipients by allowing the Legislature to provide recipients and their surviving spouses with the same property tax exemptions currently provided to 100 percent disabled veterans and their surviving spouses. Some purple heart recipients served valiantly and were wounded in action but do not have a disability rating of 100 percent. All Texans who were afforded this high military honor and their surviving spouses should qualify for the total exemption.

Although any cost to the state or local communities would be worthwhile, exempting Purple Heart recipients would not inordinately burden military communities. The enabling legislation, HB 1591, would reduce the impact to certain communities by adding it into the calculation for eligibility to receive state assistance to make up for a portion of the revenue lost to homestead exemptions for certain veterans. HJR 67 and HB 1591 also would not significantly decrease general revenue money used in school funding formulas. Only around 15,000 Purple Heart recipients would be eligible to receive the exemption, whereas 68,000 100 percent disabled veterans and spouses already receive the full homestead exemption.

OPPONENTS  
SAY:

HJR 67 would allow the state to place a mandate on local governments that could disproportionately harm military communities by allowing for erosion of local government property tax bases. Exempting more veterans from paying property taxes could result in increased property tax rates and increase the tax burden on other homeowners.

The exemption authorized by HJR 67 and HB 1591 also would have a cost to general revenue related funds flowing through the school funding formulas to compensate for the decrease in property tax revenues collected by school districts beginning in fiscal 2020.

NOTES:

According to the Legislative Budget Board's fiscal note, HJR 67 would result in a cost of \$114,369 to the state for publishing the resolution.

HB 1591 by Bohac is the enabling legislation for HJR 67. Contingent on voter approval of HJR 67, HB 1591 would entitle a Purple Heart recipient or the qualifying surviving spouse of a Purple Heart recipient to a total homestead exemption and would qualify certain local governments to receive military exemption assistance payments to compensate for lost property tax revenue.