

## **BILL ANALYSIS**

Senate Research Center  
84R14422 CJC-D

S.B. 1821  
By: Campbell  
Finance  
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As Filed

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

Veterans represent a large sector of the Texas workforce. According to the federal Bureau of Labor Statistics, in 2013, 8.7 percent of veterans in Texas who have returned home since the September 2001 terrorist attacks were unemployed, up from 8.3 percent in 2012.

Texas must do better for the men and women who have placed their lives on the line in service to our country. Too many barriers still exist for veterans attempting to thrive in Texas' economic climate by starting their own businesses or those transitioning back into the civilian workforce.

S.B. 1821 is the enabling legislation to S.J.R. 60. S.J.R. 60 is the constitutional amendment authorizing a commercial property tax exemption for businesses that hire and retain a veteran in the business for at least 12 consecutive months.

As proposed, S.B. 1821 amends current law relating to a local option exemption from ad valorem taxation of a portion of the appraised value of real property of a business that employs honorably discharged veterans.

### **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 11.37, as follows:

Sec. 11.37. CERTAIN BUSINESSES EMPLOYING VETERANS. (a) Provides that in this section:

- (1) Defines "qualifying business."
- (2) Defines "veteran."

(b) Entitles a person, subject to Subsection (c), to an exemption from taxation of a portion, expressed as a dollar amount, of the appraised value of real property the person owns that is reasonably necessary for and used by the person in the operation of a qualifying business if the exemption is adopted by the governing body of the taxing unit.

(c) Prohibits the amount of the exemption adopted as provided by Subsection (b) from exceeding \$15,000 of the appraised value of the property for each veteran employed by the qualifying business.

(d) Authorizes the chief appraiser to require a person seeking an exemption under this section to present additional information establishing eligibility for the exemption.

(e) Authorizes the governing body of the taxing unit to repeal the exemption in the manner provided by law for official action by the governing body.

SECTION 2. Provides that this Act applies only to ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2016, contingent upon approval by the voters of the constitutional amendment authorizing the governing body of a political subdivision to adopt a local option exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of real property of a business that employs honorably discharged veterans.