

SENATE AMENDMENTS

2nd Printing

By: Bell, Metcalf, Guillen, Shine, Blanco,
et al.

H.B. No. 150

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the exemption from ad valorem taxation of part of the
3 appraised value of the residence homestead of a partially disabled
4 veteran or the surviving spouse of a partially disabled veteran if
5 the residence homestead was donated to the disabled veteran by a
6 charitable organization for less than the market value of the
7 residence homestead.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 SECTION 1. Section 11.132(b), Tax Code, is amended to read
10 as follows:

11 (b) A disabled veteran who has a disability rating of less
12 than 100 percent is entitled to an exemption from taxation of a
13 percentage of the appraised value of the disabled veteran's
14 residence homestead equal to the disabled veteran's disability
15 rating if the residence homestead was donated to the disabled
16 veteran by a charitable organization:

17 (1) at no cost to the disabled veteran; or

18 (2) at some cost to the disabled veteran in the form of
19 a cash payment, a mortgage, or both in an aggregate amount that is
20 not more than 50 percent of the good faith estimate of the market
21 value of the residence homestead made by the charitable
22 organization as of the date the donation is made.

23 SECTION 2. This Act applies only to ad valorem taxes imposed
24 for an ad valorem tax year that begins on or after the effective

1 date of this Act.

2 SECTION 3. This Act takes effect January 1, 2018, but only
3 if the constitutional amendment proposed by the 85th Legislature,
4 Regular Session, 2017, authorizing the legislature to provide for
5 an exemption from ad valorem taxation of part of the market value of
6 the residence homestead of a partially disabled veteran or the
7 surviving spouse of a partially disabled veteran if the residence
8 homestead was donated to the disabled veteran by a charitable
9 organization for less than the market value of the residence
10 homestead and harmonizing certain related provisions of the Texas
11 Constitution is approved by the voters. If that amendment is not
12 approved by the voters, this Act has no effect.

ADOPTED

MAY 23 2017

Haley Spaul
Secretary of the Senate

BY: Don Hoffman

FLOOR AMENDMENT NO. 1

Amend H.B. 150 (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 33.06(d), Tax Code, is amended to read as follows:

(d) A tax lien remains on the property and interest continues to accrue during the period collection of taxes is deferred or abated under this section. The annual interest rate during the deferral or abatement period ~~is eight~~ shall not exceed five percent instead of the rate provided by Section 33.01. Interest and penalties that accrued or that were incurred or imposed under Section 33.01 or 33.07 before the date the individual files the deferral affidavit under Subsection (b) or the date the judgment abating the suit is entered, as applicable, are preserved. A penalty under Section 33.01 is not incurred during a deferral or abatement period. The additional penalty under Section 33.07 may be imposed and collected only if the taxes for which collection is deferred or abated remain delinquent on or after the 181st day after the date the deferral or abatement period expires. A plea of limitation, laches, or want of prosecution does not apply against the taxing unit because of deferral or abatement of collection as provided by this section.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 24, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB150 by Bell (Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to provide, in regard to the existing partial exemption for a homestead donated to a partially disabled veteran, that the exemption would apply if a residence homestead was donated to a partially disabled veteran by a charitable organization at a cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the charitable organization's good faith estimate of the homestead's market value. The exemption is currently restricted to residence homesteads donated at no cost to the disabled veteran and these no-cost donations would still be eligible for the exemption.

The bill would amend Chapter 33 of the Tax Code, regarding property tax delinquency, to lower from 8 percent to not greater than 5 percent the annual interest rate during a property tax deferral or abatement period of homestead taxes for certain individuals who are 65 years or older or disabled.

Appraisal districts report that there are currently 16 partial exemptions for residence homesteads that have been donated to partially disabled veterans at no cost to the veteran under Section 11.132 of the Tax Code. This bill would expand the exemption to include homesteads for which a charitable organization donated at least half of the cost of the homestead to the partially disabled veteran. Information about the number of homesteads that would be eligible for the exemption under the proposed expansion of the exemption is not available. Consequently the cost of the bill to the state and taxing units cannot be estimated. The cost, however, is not expected to be significant.

The bill would reduce the amount of interest revenue received by local taxing units by lowering the annual interest rate from 8 percent to not greater than 5 percent. The amount of interest on deferred or abated taxes that would be affected by the reduced interest rate proposed by the bill is unknown; consequently, the cost to local taxing units cannot be estimated. There would be no cost to the state because interest revenue is not included in the school funding formulas.

The bill would take effect on January 1, 2018, contingent on voter approval of a constitutional

amendment.

Local Government Impact

Passage of the bill would reduce the amount of interest revenue received by local taxing units by lowering the annual interest rate from 8 percent to not greater than 5 percent. The amount of interest on deferred or abated taxes that would be affected by the reduced interest rate proposed by the bill is unknown; consequently, the cost to local taxing units cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SLE, KK, SD, SJS

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 11, 2017

TO: Honorable Donna Campbell, Chair, Senate Committee on Veteran Affairs & Border Security

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB150 by Bell (Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

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The bill would take effect on January 1, 2018, contingent on voter approval of a constitutional amendment.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SLE, KK, SD, SJS

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB150 by Bell (Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to provide, in regard to the existing partial exemption for a homestead donated to a partially disabled veteran, that the exemption would apply if a residence homestead was donated to a partially disabled veteran by a charitable organization at a cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the charitable organization's good faith estimate of the homestead's market value. The exemption is currently restricted to residence homesteads donated at no cost to the disabled veteran and these no-cost donations would still be eligible for the exemption.

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