

AN ACT

relating to the exemption from ad valorem taxation of, and the deferral or abatement of ad valorem taxes on, certain residence homesteads.

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

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

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

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

(2) at some 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 good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

SECTION 2. 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

1 during the deferral or abatement period is five [~~eight~~] percent  
2 instead of the rate provided by Section 33.01. Interest and  
3 penalties that accrued or that were incurred or imposed under  
4 Section 33.01 or 33.07 before the date the individual files the  
5 deferral affidavit under Subsection (b) or the date the judgment  
6 abating the suit is entered, as applicable, are preserved. A  
7 penalty under Section 33.01 is not incurred during a deferral or  
8 abatement period. The additional penalty under Section 33.07 may  
9 be imposed and collected only if the taxes for which collection is  
10 deferred or abated remain delinquent on or after the 181st day after  
11 the date the deferral or abatement period expires. A plea of  
12 limitation, laches, or want of prosecution does not apply against  
13 the taxing unit because of deferral or abatement of collection as  
14 provided by this section.

15 SECTION 3. Section 11.132(b), Tax Code, as amended by this  
16 Act, applies only to ad valorem taxes imposed for an ad valorem tax  
17 year that begins on or after the effective date of this Act.

18 SECTION 4. Section 33.06(d), Tax Code, as amended by this  
19 Act, applies only to interest that accrues during a deferral or  
20 abatement period on or after the effective date of this Act,  
21 regardless of whether the deferral or abatement period began before  
22 that date or begins on or after that date. Interest that accrued  
23 during a deferral or abatement period before the effective date of  
24 this Act is governed by the law in effect when the interest accrued,  
25 and that law is continued in effect for that purpose.

26 SECTION 5. This Act takes effect January 1, 2018, but only  
27 if the constitutional amendment proposed by the 85th Legislature,

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

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President of the Senate

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Speaker of the House

I certify that H.B. No. 150 was passed by the House on May 8, 2017, by the following vote: Yeas 141, Nays 4, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 150 on May 25, 2017, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 150 on May 28, 2017, by the following vote: Yeas 147, Nays 0, 2 present, not voting.

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Chief Clerk of the House

H.B. No. 150

I certify that H.B. No. 150 was passed by the Senate, with amendments, on May 23, 2017, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 150 on May 28, 2017, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor