

By: Watson

S.B. No. 1943

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem taxation of heir property.

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

SECTION 1. Section 1.04, Tax Code, is amended by adding Subdivisions (20) and (21) to read as follows:

(20) "Heir property" means real property:

(A) owned by one or more individuals, at least one of whom claims the property as the individual's residence homestead; and

(B) acquired by the owner or owners by will, transfer on death deed, or intestacy, regardless of whether the interests of the owners are recorded in the real property records of the county in which the property is located.

(21) "Heir property owner" means an owner of heir property who claims the property as the individual's residence homestead.

SECTION 2. Chapter 5, Tax Code, is amended by adding Section 5.061 to read as follows:

Sec. 5.061. EXPLANATION OF INFORMATION RELATED TO HEIR PROPERTY. (a) The comptroller shall prepare and electronically publish a pamphlet that provides information to assist heir property owners in applying for a residence homestead exemption authorized by Chapter 11. The pamphlet must include:

(1) a list of the residence homestead exemptions that

1 may be available to an owner;

2 (2) a description of the process for applying for an  
3 exemption;

4 (3) the documents an owner must submit with an  
5 application to demonstrate the owner's eligibility for an  
6 exemption;

7 (4) a list of individuals and organizations able to  
8 provide free legal assistance to an owner in applying for an  
9 exemption; and

10 (5) a general description of the process by which an  
11 owner may record the owner's interest in the heir property in the  
12 real property records of the county in which the property is  
13 located.

14 (b) The comptroller shall prepare and maintain a list of  
15 individuals and organizations described by Subsection (a)(4).

16 SECTION 3. Section 11.26, Tax Code, is amended by adding  
17 Subsection (p) to read as follows:

18 (p) An heir property owner who qualifies heir property as  
19 the owner's residence homestead under this chapter is considered  
20 the sole owner of the property for the purposes of this section.

21 SECTION 4. Section 11.261, Tax Code, is amended by adding  
22 Subsection (n) to read as follows:

23 (n) An heir property owner who qualifies heir property as  
24 the owner's residence homestead under this chapter is considered  
25 the sole owner of the property for the purposes of this section.

26 SECTION 5. Section 11.41, Tax Code, is amended by adding  
27 Subsection (c) to read as follows:

1        (c) An heir property owner who qualifies heir property as  
2 the owner's residence homestead under this chapter is considered  
3 the sole owner of the property for the purposes of this section.

4        SECTION 6. Section 11.43, Tax Code, is amended by amending  
5 Subsection (o) and adding Subsection (o-1) to read as follows:

6        (o) The application form for a residence homestead ~~[an]~~  
7 exemption ~~[authorized by Section 11.13]~~ must require an applicant  
8 ~~[for an exemption under Subsection (c) or (d) of that section]~~ who  
9 is not specifically identified on a deed or other appropriate  
10 instrument recorded in the ~~[applicable]~~ real property records of  
11 the county in which the property is located as an owner of the  
12 residence homestead, including an heir property owner, to provide:

13            (1) an affidavit ~~[or other compelling evidence]~~  
14 establishing the applicant's ownership of an interest in the  
15 property;

16            (2) a copy of the death certificate of the prior owner  
17 of the property, if the applicant is an heir property owner;

18            (3) a copy of the most recent utility bill for the  
19 property; and

20            (4) a citation of any court record relating to the  
21 applicant's ownership of the property if available ~~[homestead].~~

22        (o-1) The application form for a residence homestead  
23 exemption may not require an heir property owner to provide a copy  
24 of an instrument recorded in the real property records of the county  
25 in which the property is located.

26        SECTION 7. Subchapter C, Chapter 11, Tax Code, is amended by  
27 adding Section 11.49 to read as follows:

1       Sec. 11.49. LEGAL TITLE NOT AFFECTED. (a) The grant or  
2 denial of an application by an heir property owner for a residence  
3 homestead exemption under this chapter does not affect the legal  
4 title of the property subject to the application and does not  
5 operate to transfer title to that property.

6       (b) An appraisal district, chief appraiser, or appraisal  
7 review board may not be made a party to a proceeding to adjudicate  
8 ownership of property described by Subsection (a) except as  
9 prescribed by this title.

10       SECTION 8. Section 33.06, Tax Code, is amended by adding  
11 Subsection (h) to read as follows:

12       (h) An heir property owner who qualifies heir property as  
13 the owner's residence homestead under Chapter 11 is considered the  
14 sole owner of the property for the purposes of this section.

15       SECTION 9. Section 33.065, Tax Code, is amended by adding  
16 Subsection (j) to read as follows:

17       (j) An heir property owner who qualifies heir property as  
18 the owner's residence homestead under Chapter 11 is considered the  
19 sole owner of the property for the purposes of this section.

20       SECTION 10. Not later than January 1, 2020, the comptroller  
21 of public accounts shall make available the pamphlet required by  
22 Section 5.061, Tax Code, as added by this Act.

23       SECTION 11. The changes in law made by this Act apply only  
24 to an ad valorem tax year that begins on or after the effective date  
25 of this Act.

26       SECTION 12. This Act takes effect September 1, 2019.