

By: Raymond

H.B. No. 2352

A BILL TO BE ENTITLED

AN ACT

1
2 relating to permitting an elderly or disabled person who owns
3 property designated as a homestead to transfer the ownership of the
4 property and the benefits and protections of the homestead
5 designation.

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

7 SECTION 1. Subchapter A, Chapter 41, Property Code, is
8 amended by adding Section 41.009 to read as follows:

9 Sec. 41.009. TRANSFER OF HOMESTEAD. (a) In this section,
10 "disabled" has the meaning assigned by Section 11.13, Tax Code.

11 (b) A person who is disabled or 65 years of age or older and
12 who owns property designated as that person's homestead may
13 transfer to another person by gift, sale, or otherwise:

14 (1) the ownership of the property; and

15 (2) any property tax benefits or other protections
16 provided to that property by the constitution and laws of this state
17 as a result of the property being designated as a homestead.

18 (c) Property transferred under Subsection (b) retains the
19 property tax benefits and other protections provided to the
20 property as a result of the property being designated as the
21 homestead of the transferor only so long as the transferor
22 continues to occupy the property as the transferor's principal
23 residence.

24 (d) A person to whom property is transferred under

1 Subsection (b) may not require the transferor of the property to pay
2 rent to continue to occupy the property.

3 SECTION 2. Section 11.13(j)(1), Tax Code, is amended to
4 read as follows:

5 (1) "Residence homestead" means a structure
6 (including a mobile home) or a separately secured and occupied
7 portion of a structure (together with the land, not to exceed 20
8 acres, and improvements used in the residential occupancy of the
9 structure, if the structure and the land and improvements have
10 identical ownership) that:

11 (A) is owned by one or more individuals, either
12 directly or through a beneficial interest in a qualifying trust;

13 (B) is designed or adapted for human residence;

14 (C) is used as a residence; and

15 (D) is occupied as the person's [~~his~~] principal
16 residence by:

17 (i) an owner;

18 (ii) a transferor of the property under
19 Section 41.009, Property Code; or

20 (iii) [~~7~~] for property owned through a
21 beneficial interest in a qualifying trust, [~~by~~] a trustor of the
22 trust who qualifies for the exemption.

23 SECTION 3. Section 11.13, Tax Code, is amended by adding
24 Subsection (s) to read as follows:

25 (s) Notwithstanding any other provision of this title, if an
26 owner of property who qualifies for an exemption under this section
27 transfers the ownership of the property to another person as

1 provided by Section 41.009, Property Code, the transferee is
2 entitled to an exemption for the same property from the same taxing
3 unit in an amount equal to that of the exemption for which the
4 transferor qualified as well as any limitation on tax increases,
5 limitation on appraised value, deferral or abatement of a suit to
6 collect a delinquent tax, or other tax benefit applicable to the
7 property to which the transferor was entitled by virtue of the
8 property's having been the transferor's residence homestead. If
9 following a transfer described by this section the transferor would
10 have qualified for a tax benefit described by this section if the
11 transferor had not transferred the property, the transferee is
12 entitled to the tax benefit. A tax benefit described by this
13 section continues in effect for as long as the transferor continues
14 to occupy the property as the transferor's principal residence.

15 SECTION 4. This Act takes effect on the date on which the
16 constitutional amendment proposed by the 79th Legislature, Regular
17 Session, 2005, authorizing the legislature to permit an elderly or
18 disabled person who owns property designated as a homestead to
19 transfer the ownership of the property and the benefits and
20 protections that result from that designation, takes effect. If
21 that amendment is not approved by the voters, this Act has no
22 effect.