

By: Moody

H.B. No. 2886

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of the residence homesteads of certain life tenants.

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

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

(j) For purposes of this section:

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

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

(B) is designed or adapted for human residence;

(C) is used as a residence; and

(D) is occupied as his principal residence by an owner, a surviving spouse who is a life tenant, or, for property owned through a beneficial interest in a qualifying trust, by a trustor of the trust who qualifies for the exemption.

(2) "Trustor" means a person who transfers an interest in residential property to a qualifying trust, whether by deed or by will, or the person's spouse.

1 (3) "Qualifying trust" means a trust:

2 (A) in which the agreement, will, or court order
3 creating the trust provides that the trustor of the trust or the
4 beneficiary of the trust if created by court order has the right to
5 use and occupy as the trustor's or beneficiary's principal
6 residence residential property rent free and without charge except
7 for taxes and other costs and expenses specified in the instrument
8 or court order:

9 (i) for life;

10 (ii) for the lesser of life or a term of
11 years; or

12 (iii) until the date the trust is revoked or
13 terminated by an instrument or court order that describes the
14 property with sufficient certainty to identify it and is recorded
15 in the real property records of the county in which the property is
16 located; and

17 (B) that acquires the property in an instrument
18 of title or under a court order that:

19 (i) describes the property with sufficient
20 certainty to identify it and the interest acquired;

21 (ii) is recorded in the real property
22 records of the county in which the property is located; and

23 (iii) in the case of a trust that is not
24 created by court order, is executed by the trustor or the personal
25 representative of the trustor.

26 (4) "Surviving spouse" has the meaning assigned by
27 Section 11.131.

1 SECTION 2. This Act applies only to ad valorem taxes imposed
2 for a tax year beginning on or after the effective date of this Act.

3 SECTION 3. This Act takes effect January 1, 2014.