

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 15, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1463 by Raymond (Relating to the procedure for canceling an exemption from ad valorem taxation of the residence homestead of an individual who is 65 years of age or older.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 11.43 of the Tax Code, regarding property tax exemption applications, to prohibit a chief appraiser from cancelling a previously allowed homestead exemption for an individual who is 65 years or older and who failed to file a new application as requested by the chief appraiser without first providing notice of the cancellation by certified mail.

The notice would include a form for the individual to indicate whether they are qualified and a self-addressed postage prepaid envelope with instructions on returning the form to the chief appraiser. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified.

The Comptroller by rule would adopt standards for determining what constitutes a reasonable effort on the part of a chief appraiser and distribute those rules to each appraisal district. If a chief appraiser determines an individual no longer owns the property, these requirements do not apply to a cancelled homestead exemption from school district taxes for those who are 65 years or older under Tax Code Section 11.13(c) and these requirements do not apply to a cancelled optional homestead exemption adopted by a taxing unit for those who are 65 years or older under Tax Code Section 11.13(d).

The number of homestead exemptions not cancelled or have their cancellation delayed to another tax year is unknown. To the extent that the bill would delay, and in some cases stop the removal of a homestead exemption for an individual who is 65 years or older, the bill would create a cost to local taxing units and the state through the operation of the school funding formula. The cost would not be significant.

The bill would take effect September 1, 2015.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS