

SENATE AMENDMENTS

2nd Printing

By: Raymond

H.B. No. 1463

A BILL TO BE ENTITLED

AN ACT

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.

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

SECTION 1. Section 1.07(d), Tax Code, is amended to read as follows:

(d) A notice required by Section 11.43(q), 11.45(d), 23.44(d), 23.46(c), 23.54(e), 23.541(c), 23.55(e), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail.

SECTION 2. Section 11.43, Tax Code, is amended by amending Subsections (c) and (h) and adding Subsection (q) to read as follows:

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30, 11.31, or 11.315, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an

1 appropriate application form, to the person previously allowed the
2 exemption. If the person previously allowed the exemption is 65
3 years of age or older, the chief appraiser may not cancel the
4 exemption due to the person's failure to file the new application
5 unless the chief appraiser complies with the requirements of
6 Subsection (q), if applicable.

7 (h) If the chief appraiser learns of any reason indicating
8 that an exemption previously allowed should be canceled, the chief
9 appraiser [~~he~~] shall investigate. Subject to Subsection (q), if the
10 chief appraiser [~~If he~~] determines that the property should not be
11 exempt, the chief appraiser [~~he~~] shall cancel the exemption and
12 deliver written notice of the cancellation within five days after
13 the date the exemption is canceled [~~he makes the cancellation~~].

14 (q) A chief appraiser may not cancel an exemption under
15 Section 11.13 that is received by an individual who is 65 years of
16 age or older without first providing written notice of the
17 cancellation to the individual receiving the exemption. The notice
18 must include a form on which the individual may indicate whether the
19 individual is qualified to receive the exemption and a
20 self-addressed postage prepaid envelope with instructions for
21 returning the form to the chief appraiser. The chief appraiser
22 shall consider the individual's response on the form in determining
23 whether to continue to allow the exemption. If the chief appraiser
24 does not receive a response on or before the 60th day after the date
25 the notice is mailed, the chief appraiser may cancel the exemption,
26 but only after making a reasonable effort to locate the individual
27 and determine whether the individual is qualified to receive the

1 exemption. For purposes of this subsection, sending an additional
2 notice of cancellation to the individual receiving the exemption
3 immediately after the expiration of the 60-day period by first
4 class mail in an envelope on which is written, in all capital
5 letters, "RETURN SERVICE REQUESTED," or another appropriate
6 statement directing the United States Postal Service to return the
7 notice if it is not deliverable as addressed, or providing the
8 additional notice in another manner that the chief appraiser
9 determines is appropriate, constitutes a reasonable effort on the
10 part of the chief appraiser. This subsection does not apply to an
11 exemption under Section 11.13(c) or (d) for an individual 65 years
12 of age or older that is canceled because the chief appraiser
13 determines that the individual receiving the exemption no longer
14 owns the property subject to the exemption.

15 SECTION 3. The change in law made by this Act applies only
16 to an action taken by a chief appraiser to cancel a residence
17 homestead exemption from ad valorem taxation that is received by an
18 individual who is 65 years of age or older on or after the effective
19 date of this Act. An action taken by a chief appraiser to cancel a
20 residence homestead exemption from ad valorem taxation that is
21 received by an individual who is 65 years of age or older before the
22 effective date of this Act is governed by the law in effect on the
23 date the action was taken, and that law is continued in effect for
24 that purpose.

25 SECTION 4. This Act takes effect September 1, 2015.

ADOPTED

MAY 22 2015

Atty. Gen.
Secretary of the Senate

By: Raymond

H.B. No. 1463

Substitute the following for H.B. No. 1463:

By: [Signature]

C.S. H.B. No. 1463

A BILL TO BE ENTITLED

1 AN ACT

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3 valorem taxation of the residence homestead of an individual who is
4 65 years of age or older.

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

6 SECTION 1. Section 1.07(d), Tax Code, is amended to read as
7 follows:

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9 23.44(d), 23.46(c), 23.54(e), 23.541(c), 23.55(e), 23.57(d),
10 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail.

11 SECTION 2. Section 11.43, Tax Code, is amended by amending
12 Subsections (c) and (h) and adding Subsection (q) to read as
13 follows:

14 (c) An exemption provided by Section 11.13, 11.131, 11.132,
15 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22,
16 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30,
17 11.31, or 11.315, once allowed, need not be claimed in subsequent
18 years, and except as otherwise provided by Subsection (e), the
19 exemption applies to the property until it changes ownership or the
20 person's qualification for the exemption changes. However, the
21 chief appraiser may require a person allowed one of the exemptions
22 in a prior year to file a new application to confirm the person's
23 current qualification for the exemption by delivering a written
24 notice that a new application is required, accompanied by an

1 appropriate application form, to the person previously allowed the
2 exemption. If the person previously allowed the exemption is 65
3 years of age or older, the chief appraiser may not cancel the
4 exemption due to the person's failure to file the new application
5 unless the chief appraiser complies with the requirements of
6 Subsection (q), if applicable.

7 (h) If the chief appraiser learns of any reason indicating
8 that an exemption previously allowed should be canceled, the chief
9 appraiser [~~he~~] shall investigate. Subject to Subsection (q), if the
10 chief appraiser [~~if he~~] determines that the property should not be
11 exempt, the chief appraiser [~~he~~] shall cancel the exemption and
12 deliver written notice of the cancellation within five days after
13 the date the exemption is canceled [~~he makes the cancellation~~].

14 (q) A chief appraiser may not cancel an exemption under
15 Section 11.13 that is received by an individual who is 65 years of
16 age or older without first providing written notice of the
17 cancellation to the individual receiving the exemption. The notice
18 must include a form on which the individual may indicate whether the
19 individual is qualified to receive the exemption and a
20 self-addressed postage prepaid envelope with instructions for
21 returning the form to the chief appraiser. The chief appraiser
22 shall consider the individual's response on the form in determining
23 whether to continue to allow the exemption. If the chief appraiser
24 does not receive a response on or before the 60th day after the date
25 the notice is mailed, the chief appraiser may cancel the exemption
26 on or after the 30th day after the expiration of the 60-day period,
27 but only after making a reasonable effort to locate the individual

1 and determine whether the individual is qualified to receive the
2 exemption. For purposes of this subsection, sending an additional
3 notice of cancellation that includes, in bold font equal to or
4 greater in size than the surrounding text, the date on which the
5 chief appraiser is authorized to cancel the exemption to the
6 individual receiving the exemption immediately after the
7 expiration of the 60-day period by first class mail in an envelope
8 on which is written, in all capital letters, "RETURN SERVICE
9 REQUESTED," or another appropriate statement directing the United
10 States Postal Service to return the notice if it is not deliverable
11 as addressed, or providing the additional notice in another manner
12 that the chief appraiser determines is appropriate, constitutes a
13 reasonable effort on the part of the chief appraiser. This
14 subsection does not apply to an exemption under Section 11.13(c) or
15 (d) for an individual 65 years of age or older that is canceled
16 because the chief appraiser determines that the individual
17 receiving the exemption no longer owns the property subject to the
18 exemption.

19 SECTION 3. The change in law made by this Act applies only
20 to an action taken by a chief appraiser to cancel a residence
21 homestead exemption from ad valorem taxation that is received by an
22 individual who is 65 years of age or older on or after the effective
23 date of this Act. An action taken by a chief appraiser to cancel a
24 residence homestead exemption from ad valorem taxation that is
25 received by an individual who is 65 years of age or older before the
26 effective date of this Act is governed by the law in effect on the
27 date the action was taken, and that law is continued in effect for

1 that purpose.

2 SECTION 4. This Act takes effect September 1, 2015.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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 Passed 2nd House**

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 age 65 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 on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified. A reasonable effort would be to send an additional cancellation notice immediately after the expiration of the 60-day period. The bill would require the additional notice to be sent by first class mail and meet other specified requirements. The chief appraiser would be permitted to provide the additional notice in another manner that the chief appraiser determines is appropriate.

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 age 65 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 age 65 or older under Tax Code Section 11.13(d).

The number of homestead exemptions not cancelled or that 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 age 65 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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

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.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 age 65 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 on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified. A reasonable effort would be to send an additional cancellation notice immediately after the expiration of the 60-day period. The bill would require the additional notice to be sent by first class mail and meet other specified requirements. The chief appraiser would be permitted to provide the additional notice in another manner that the chief appraiser determines is appropriate.

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 age 65 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 age 65 or older under Tax Code Section 11.13(d).

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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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 30, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

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 Engrossed**

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 age 65 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. A reasonable effort would be an additional cancellation notice by first class mail or in another manner that the chief appraiser determines is appropriate.

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 age 65 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 age 65 or older under Tax Code Section 11.13(d).

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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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 10, 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.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 age 65 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. A reasonable effort would be an additional cancellation notice by first class mail or in another manner that the chief appraiser determines is appropriate.

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 age 65 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 age 65 or older under Tax Code Section 11.13(d).

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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

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**

<p>No significant fiscal implication to the State is anticipated.</p>
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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).

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