

BILL ANALYSIS

Senate Research Center
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S.B. 945
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently in Section 25.25(b), Tax Code, a chief appraiser of an appraisal district has a limited ability to correct the appraisal. The list of correctable items does not include an erroneously denied or canceled exemption. S.B. 945 will give the chief appraiser the authority to correct and reinstate an erroneously denied or canceled exemption for members of the public who are disabled, 65 or older, a disabled veteran, or a surviving spouse of a qualified individual.

Following Section 11.43(c), a chief appraiser may require a property owner to confirm their current qualifications for an exemption. To do this, the chief appraiser must provide written notice and a copy of the corresponding exemption application. If the property owner does not file a new application, the chief appraiser may begin the cancellation process outlined in Section 11.43(q). In this process, the chief appraiser may not cancel the exemption before providing written notice and giving the property owner up to 90 days to reply. If no reply is received, the chief appraiser may cancel the exemption. Frequently, the property owner does not realize their exemption has been canceled until they are contacted later for delinquent taxes by a collections company.

In practice, the elderly or disabled may, unfortunately, fail to requalify or reapply for an exemption to which they are still entitled. This typically occurs for a variety of reasons (exs: illness, return from assisted-living facilities, difficulty sorting mail). When an exemption is erroneously denied or canceled, the chief appraiser may only make a correction to the appraisal rolls in limited circumstances. At this point, Section 11.431, Tax Code, permits a late application for the exemption for only the current year and one year prior. A correction under Section 25.25(b) to grant the exemption further back is not authorized.

This bill amends Section 25.25(b), Tax Code, to expand the authority of the chief appraiser of an appraisal district to correct the tax appraisal roll to include the erroneous denial or erroneous cancellation of an exemption previously held by members of the public who are disabled, 65 or older, a disabled veteran, or a surviving spouse of a qualified individual.

This is a property-owner friendly bill designed to help keep the elderly or disabled in their homes.

As proposed, S.B. 945 amends current law relating to the authority of the chief appraiser of an appraisal district to correct an ad valorem tax appraisal roll.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 25.25(b), Tax Code, by authorizing the chief appraiser to change the appraisal roll at any time to correct, among other items, an erroneous denial or cancellation of any exemption authorized by Section 11.13 (Residence Homestead) if the applicant or recipient is disabled or is 65 or older or an exemption authorized by Section 11.13(q) (relating to the surviving spouse of an individual who qualifies for an exemption for the residence homestead of

a person 65 or older), 11.131 (Residence Homestead of 100 Percent or Totally Disabled Veteran), or 11.22 (Disabled Veterans), Tax Code.

SECTION 2. Effective date: upon passage or September 1, 2017.