

BILL ANALYSIS

S.B. 1943
By: Watson
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that, while homeowners who inherit their home without a will are eligible for a residence homestead exemption, many face difficulties when trying to secure such an exemption because of the lack of a deed or other legal instrument demonstrating ownership. Furthermore, there are concerns that many of these homesteads are located in areas that are in need of property tax relief. S.B. 1943 seeks to address this issue by clarifying that heir property owners are eligible for homestead exemptions and setting out provisions relating to that eligibility.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1943 amends the Tax Code to require the comptroller of public accounts, not later than January 1, 2020, to prepare and electronically publish a pamphlet that provides information to assist heir property owners in applying for a residence homestead exemption. The bill defines "heir property" and "heir property owner" and sets out the required contents of the pamphlet. The bill establishes that an heir property owner who qualifies heir property as the owner's residence homestead is considered the sole recipient of any exemption granted to the owner for the residence homestead and is considered the sole owner of the property for the purposes of statutory provisions relating to:

- the limitation of school taxes on the residence homestead of an elderly or disabled person;
- the limitation of county, municipal, or junior college district taxes on the residence homestead of an elderly or disabled person;
- partial ownership of exempt property;
- the deferred collection of taxes on the residence homestead of an elderly or disabled person or a disabled veteran; and
- the deferred collection of taxes on an appreciating residence homestead.

S.B. 1943 revises the requirement for the application form for a residence homestead exemption to require certain applicants who are not specifically identified as an owner of the residence homestead on a deed or other appropriate instrument to provide an affidavit or other compelling

evidence establishing ownership of an interest in the homestead by requiring the form instead to require an applicant who is not specifically identified on a deed or other appropriate instrument recorded in the real property records of the county in which the property is located as an owner of the residence homestead, including an heir property owner, to provide:

- an affidavit establishing the applicant's ownership of an interest in the property;
- a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;
- a copy of the most recent utility bill for the property, if the applicant is an heir property owner; and
- a citation of any court record relating to the applicant's ownership of the property if available.

The bill prohibits the application form for a residence homestead exemption from requiring an heir property owner to provide a copy of an instrument recorded in the real property records of the county in which the property is located. The bill requires the form to require an applicant who is an heir property owner to state that the property for which the application is submitted is heir property and require each owner of an interest in heir property who occupies the property as the owner's principal residence, other than the applicant, to provide an affidavit that authorizes the submission of the application.

S.B. 1943 establishes that the grant or denial of an application by an heir property owner for a residence homestead exemption does not affect the legal title of the property subject to the application and does not operate to transfer title to that property. The bill prohibits an appraisal district, chief appraiser, appraisal review board, or county assessor-collector from being made a party to a proceeding to adjudicate ownership of such property except as prescribed by the Property Tax Code.

EFFECTIVE DATE

September 1, 2019.