By:  Watson S.B. No. 1943

(In the Senate - Filed March 7, 2019; March 19, 2019, read first time and referred to Committee on Property Tax; April 30, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 5, Nays 0; April 30, 2019, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Bettencourt     X

Paxton          X

Creighton       X

Hancock         X

Hinojosa        X

COMMITTEE SUBSTITUTE FOR S.B. No. 1943 By:  Hinojosa

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem taxation of heir property.

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

SECTION 1.  Section 1.04, Tax Code, is amended by adding Subdivisions (20) and (21) to read as follows:

(20)  "Heir property" means real property:

(A)  owned by one or more individuals, at least one of whom claims the property as the individual's residence homestead; and

(B)  acquired by the owner or owners by will, transfer on death deed, or intestacy, regardless of whether the interests of the owners are recorded in the real property records of the county in which the property is located.

(21)  "Heir property owner" means an owner of heir property who claims the property as the individual's residence homestead.

SECTION 2.  Chapter 5, Tax Code, is amended by adding Section 5.061 to read as follows:

Sec. 5.061.  EXPLANATION OF INFORMATION RELATED TO HEIR PROPERTY. The comptroller shall prepare and electronically publish a pamphlet that provides information to assist heir property owners in applying for a residence homestead exemption authorized by Chapter 11. The pamphlet must include:

(1)  a list of the residence homestead exemptions authorized by Chapter 11;

(2)  a description of the process for applying for an exemption as prescribed by Section 11.43;

(3)  a description of the documents an owner is required by Section 11.43(o) to submit with an application to demonstrate the owner's ownership of an interest in heir property;

(4)  contact information for the division of the State Bar of Texas from which a person may obtain a listing of individuals and organizations available to provide free or reduced-fee legal assistance; and

(5)  a general description of the process by which an owner may record the owner's interest in heir property in the real property records of the county in which the property is located.

SECTION 3.  Section 11.13(h), Tax Code, is amended to read as follows:

(h)  Joint, community, or successive owners may not each receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption but may choose either. A person may not receive an exemption under this section for more than one residence homestead in the same year. An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole recipient of any exemption granted to the owner for the residence homestead by or pursuant to this section.

SECTION 4.  Section 11.26, Tax Code, is amended by adding Subsection (p) to read as follows:

(p)  An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

SECTION 5.  Section 11.261, Tax Code, is amended by adding Subsection (n) to read as follows:

(n)  An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

SECTION 6.  Section 11.41, Tax Code, is amended by adding Subsection (c) to read as follows:

(c)  An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

SECTION 7.  Section 11.43, Tax Code, is amended by amending Subsection (o) and adding Subsections (o-1) and (o-2) to read as follows:

(o)  The application form for a residence homestead [~~an~~] exemption [~~authorized by Section 11.13~~] must require an applicant [~~for an exemption under Subsection (c) or (d) of that section~~] who is not specifically identified on a deed or other appropriate instrument recorded in the [~~applicable~~] 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:

(1)  an affidavit [~~or other compelling evidence~~] establishing the applicant's ownership of an interest in the property;

(2)  a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;

(3)  a copy of the most recent utility bill for the property; and

(4)  a citation of any court record relating to the applicant's ownership of the property if available [~~homestead~~].

(o-1)  The application form for a residence homestead exemption may not require 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.

(o-2)  The application form for a residence homestead exemption must require:

(1)  an applicant who is an heir property owner to state that the property for which the application is submitted is heir property; and

(2)  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.

SECTION 8.  Subchapter C, Chapter 11, Tax Code, is amended by adding Section 11.49 to read as follows:

Sec. 11.49.  LEGAL TITLE NOT AFFECTED. (a)  The grant or denial of an application by an heir property owner for a residence homestead exemption under this chapter does not affect the legal title of the property subject to the application and does not operate to transfer title to that property.

(b)  An appraisal district, chief appraiser, appraisal review board, or county assessor-collector may not be made a party to a proceeding to adjudicate ownership of property described by Subsection (a) except as prescribed by this title.

SECTION 9.  Section 33.06, Tax Code, is amended by adding Subsection (h) to read as follows:

(h)  An heir property owner who qualifies heir property as the owner's residence homestead under Chapter 11 is considered the sole owner of the property for the purposes of this section.

SECTION 10.  Section 33.065, Tax Code, is amended by adding Subsection (j) to read as follows:

(j)  An heir property owner who qualifies heir property as the owner's residence homestead under Chapter 11 is considered the sole owner of the property for the purposes of this section.

SECTION 11.  Not later than January 1, 2020, the comptroller of public accounts shall make available the pamphlet required by Section 5.061, Tax Code, as added by this Act.

SECTION 12.  The changes in law made by this Act apply only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 13.  This Act takes effect September 1, 2019.

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