

By: Watson
(Rodriguez)

S.B. No. 1943

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

1 authorized by Chapter 11;

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

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

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

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

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

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

27 SECTION 4. Section 11.26, Tax Code, is amended by adding

1 Subsection (p) to read as follows:

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

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

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

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

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

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

18 (o) The application form for a residence homestead ~~[an]~~
19 exemption ~~[authorized by Section 11.13]~~ must require an applicant
20 ~~[for an exemption under Subsection (c) or (d) of that section]~~ who
21 is not specifically identified on a deed or other appropriate
22 instrument recorded in the ~~[applicable]~~ real property records of
23 the county in which the property is located as an owner of the
24 residence homestead, including an heir property owner, to provide:

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

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

3 (3) a copy of the most recent utility bill for the
4 property, if the applicant is an heir property owner; and

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

7 (o-1) The application form for a residence homestead
8 exemption may not require an heir property owner to provide a copy
9 of an instrument recorded in the real property records of the county
10 in which the property is located.

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

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

16 (2) each owner of an interest in heir property who
17 occupies the property as the owner's principal residence, other
18 than the applicant, to provide an affidavit that authorizes the
19 submission of the application.

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

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

27 (b) An appraisal district, chief appraiser, appraisal

1 review board, or county assessor-collector may not be made a party
2 to a proceeding to adjudicate ownership of property described by
3 Subsection (a) except as prescribed by this title.

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

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

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

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

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

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

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