

BILL ANALYSIS

H.B. 2397
By: Guillen
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Several property tax exemptions, including residence homestead exemptions, remain valid until the property owner's qualifications change or until the identity of the property owner changes. At that time the property owner will again need to apply for an exemption. The same applies to eligibility for special appraisal. When ownership of property is passed from a former owner to their surviving spouse or child, requiring the grieving family member to re-apply for a tax exemption or special appraisal is unnecessary and burdensome. H.B. 2397 seeks to establish that in these circumstances a change in ownership of the property has not occurred.

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

H.B. 2397 amends the Tax Code to establish that, for purposes of determining whether certain property tax exemptions must be re-claimed in a tax year subsequent to the year in which the exemption was first allowed, ownership of a property is not considered to have changed if ownership is transferred from the former owner to their surviving spouse or a surviving child.

H.B. 2397 establishes that, for purposes of determining the eligibility of land for special appraisal as open-space land, the ownership of land that was appraised as open-space land in the preceding tax year is not considered to have changed if, after ownership is transferred from the former owner to the new owner, the new owner uses the land in materially the same way as the former owner used the land during the preceding tax year and that use is overseen or conducted by the same individuals who oversaw or conducted that use during the preceding tax year.

H.B. 2397 requires the chief appraiser of an appraisal district to accept and either approve or deny an application for appraisal of land as open-space land after the deadline for filing the application has passed if the following conditions are satisfied:

- the land that is the subject of the application was appraised as such in the preceding tax year;
- the new owner uses the land in materially the same way as the former owner used the land during the preceding tax year; and
- the application is filed no later than the first anniversary of the date ownership of the land was transferred from the former owner to the new owner.

The bill exempts such an application that is ultimately approved by the chief appraiser from the penalty imposed on late applications.

EFFECTIVE DATE

January 1, 2024.