

BILL ANALYSIS

H.B. 3242
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law allows an appraisal district to automatically add a residence homestead property tax exemption for an individual 65 years of age or older if the district's records indicate that the person qualifies on that basis. However, appraisal districts are not currently able to automatically transfer the exemption on the death of the individual to their spouse. H.B. 3242 seeks to address this issue by providing for the automatic transfer of the exemption on the death of the individual to their spouse under certain conditions.

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. 3242 amends the Tax Code to entitle the surviving spouse of a person receiving a residence homestead property tax exemption for an individual 65 years of age or older who dies in a tax year to receive that exemption in the next tax year on the same property without applying for the exemption under the following conditions:

- the appraisal district learns of the person's death from any source, including the death records maintained by the vital statistics unit of the Department of State Health Services or a local registration official; and
- the surviving spouse is otherwise eligible to receive the exemption as shown by the following:
 - information in the records of the appraisal district that was provided to the appraisal district in an application for a residence homestead tax exemption on the property or in correspondence relating to the property; or
 - information provided by the Department of Public Safety (DPS) to the appraisal district from DPS driver's license records.

The entitlement does not apply if the chief appraiser determines that the surviving spouse is no longer entitled to any applicable exemption on the property.

H.B. 3242 requires the application form for a residence homestead property tax exemption to include a space for the date of birth of the applicant's spouse, if applicable. The bill establishes that failure to provide the date of birth of the applicant's spouse does not affect the applicant's or applicant's spouse's eligibility for a resident homestead exemption other than the residence homestead exemption for the surviving spouse of an individual 65 years of age or older.

H.B. 3242 applies only to property taxes imposed for a property tax year that begins on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2024.