

BILL ANALYSIS

Senate Research Center
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S.B. 1381
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Local Government
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Oftentimes, when an individual who is receiving an over 65 or disabled exemption passes away, the surviving spouse is not fully aware of the need to submit a new exemption application with the appraisal district to continue to receive the exemption. This comes as a shock when they receive their tax bill the following year to learn that their property taxes have increased significantly because the exemption has been removed.

S.B. 1381 is a commonsense, taxpayer friendly bill that would allow the appraisal district to automatically roll the exemption and limitation over to the surviving spouse without the need for the spouse to file a new application form.

As proposed, S.B. 1381 amends current law relating to the eligibility of the surviving spouse of an elderly person who qualified for a local option exemption from ad valorem taxation by a taxing unit of a portion of the appraised value of the deceased person's residence homestead to continue to receive an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased person qualified without applying for the exemption.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.43, Tax Code, by amending Subsection (l) and adding Subsections (m-2) and (m-3), as follows:

(l) Requires that the form for an application under Section 11.13 (Residence Homestead) include a space for the applicant to state the applicant's date of birth and, if applicable, the date of birth of the applicant's spouse. Provides that failure to provide the date of birth of the applicant's spouse does not affect the applicant's eligibility for an exemption under Section 11.13 or the applicant's spouse's eligibility for an exemption under that section, other than an exemption under Section 11.13(q) (relating to providing that the surviving spouse of an individual who qualifies for an exemption for the residence homestead of a person 65 or older is entitled to an exemption for the same property from the same taxing unit in a certain amount if certain criteria are met) for the surviving spouse of an individual 65 years of age or older. Makes a nonsubstantive change.

(m-2) Provides that a person's surviving spouse, if a person who receives an exemption under Section 11.13(d) (relating to providing that an individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of the individual's residence homestead if the exemption is adopted by certain entities) for an individual 65 years of age or older dies in a tax year, notwithstanding Subsection (a) (relating to requiring a person claiming an exemption to apply for the exemption), is entitled to receive an exemption under Section 11.13(q) in the next tax year on the same property without applying for the exemption if:

(1) 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

(2) the surviving spouse is otherwise eligible to receive the exemption as shown by:

(A) information in the records of the appraisal district that was provided to the appraisal district in an application for an exemption under Section 11.13 on the property or in correspondence relating to the property; or

(B) information provided by the Department of Public Safety of the State of Texas to the appraisal district under Section 521.049 (Information Supplied to Certain Governmental Entities), Transportation Code.

(m-3) Provides that Subsection (m-2) does not apply if the chief appraiser determines that the surviving spouse is no longer entitled to any exemption under Section 11.13 on the property.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2024.