

By: Guillen

H.B. No. 2397

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain property to continue to qualify for an ad valorem tax exemption or special appraisal following certain changes in ownership.

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

SECTION 1. Section 11.43, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) For purposes of Subsection (c), ownership of the property is not considered to have changed if ownership of the property is transferred from the former owner to the surviving spouse or a surviving child of the former owner.

SECTION 2. Section 23.54, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) For purposes of Subsection (e), the ownership of land that was appraised under this subchapter in the preceding tax year is not considered to have changed if, after the ownership of the land is transferred from the former owner to the new owner:

(1) the new owner uses the land in materially the same way as the former owner used the land during the preceding tax year; and

(2) the use described by Subdivision (1) is overseen or conducted by the same individuals who oversaw or conducted that use during the preceding tax year.

SECTION 3. Section 23.541, Tax Code, is amended by adding

Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) Notwithstanding Subsection (a), the chief appraiser shall accept and approve or deny an application for appraisal under this subchapter after the deadline for filing the application has passed if:

(1) the land that is the subject of the application was appraised under this subchapter in the preceding tax year;

(2) the new owner uses the land in materially the same way as the former owner used the land during the preceding tax year;  
and

(3) the application is filed not later than the first anniversary of the date ownership of the land was transferred from the former owner to the new owner.

(b) If appraisal under this subchapter is approved when the application is filed late, the owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value. The penalty prescribed by this subsection does not apply to a late application filed under Subsection (a-1).

SECTION 4. This Act takes effect January 1, 2024.