

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 9, 2023

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2397 by Guillen (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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 11 of the Tax Code, relating to Taxable Property and Exemptions, and allow certain property to continue to qualify for a property tax exemption if the ownership is transferred from the former owner to the surviving spouse or a surviving child of the former owner.

The bill would also amend Chapter 23 of the Tax Code, relating to Appraisal Methods and Procedures, to provide that ownership of land that was appraised as qualified open-space land in the preceding tax year is not considered to have changed if the new owner uses the land in materially the same way as the former owner and works with the same individuals.

The bill would require the chief appraiser to accept and approve or deny a late application for qualified open-space land if the land was appraised as qualified open-space land in the previous year, the new owner uses it in materially the same way, and the application is filed not later than the first anniversary of the date of the ownership change. In this specific case, penalties for late filings would not be applicable.

Under current law, a change in ownership requires a new owner to file an application to keep the special appraisal as long as a change in use of the land has not occurred and continues to be eligible. The bill would require a chief appraiser to accept certain late applications without penalty from a surviving spouse or surviving child. Accepting a late application without penalty would be a cost to local taxing units; however, it is not expected to be significant.

Local Government Impact

Accepting a late application without penalty would be a cost to local taxing units; however, it is not expected to be significant.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI