

BILL ANALYSIS

Senate Research Center
89R11512 CS-F

S.B. 2172
By: Parker
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Unqualified homestead exemptions provide tax breaks, thus forcing compliant homeowners to pay higher taxes. To address the issue, S.B. 1801 in the 88th Legislature, Regular Session, 2023, required each Texas appraisal district to confirm the validity of every residential homestead exemption at least once every five years. Some appraisal districts have interpreted Section 11.43(h-1), Tax Code, to require one-fifth of residential exemption holders to reapply for their exemptions annually, even when there is no evidence suggesting the exemption is improper. This practice conflicts with the longstanding statutory rule that a homeowner need only apply once for a homestead exemption under Section 11.13, Tax Code, unless the appraisal district has determined the exemption is no longer justified.

S.B. 2172 aims to correct the misapplication of mass reappraisals while maintaining proper oversight of homestead exemptions. The bill includes the following key provisions: an appraisal district may require a homeowner to reapply for an exemption only if it has identified a specific reason to suspect the exemption is invalid, the district must inform the homeowner in writing of the reason for requiring reapplication, and the written notice must include an application for a new exemption to ensure clarity and ease of compliance.

As proposed, S.B. 2172 amends current law relating to the authority of the chief appraiser of an appraisal district to require a person allowed an exemption from ad valorem taxation of a residence homestead to file a new application or confirm the person's current qualification 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 (c) and adding Subsection (c-1), as follows:

(c) Authorizes the chief appraiser, except as provided by Subsection (r) (relating to prohibiting a chief appraiser from requiring certain disabled persons allowed a homestead exemption to file a new application to determine qualification for the exemption), and subject to Subsection (c-1), to require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption.

(c-1) Prohibits a chief appraiser from requiring a person allowed a residence homestead exemption under Section 11.13 (Residence Homestead) to file a new application or confirm the person's current qualification for the exemption unless the chief appraiser has reason to believe the person no longer qualifies for the exemption and delivers written notice, accompanied by an appropriate application form, to the person stating the chief appraiser believes the person may no longer qualify for the exemption and the specific reason for the chief appraiser's belief.

SECTION 2. Provides that it is the intent of the 89th Legislature, Regular Session, 2025, that the amendments made by this Act be harmonized with another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Effective date: September 1, 2025.