

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1463
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Finance
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 1463 aims to provide senior citizens greater security in their dealings with county appraisal boards. Because senior citizens may struggle with mobility issues, hearing or vision impairment, and other ailments, they should be given additional time and opportunities to respond to appraisal districts before having their taxes raised.

C.S.H.B. 1463 requires that before an appraisal district may determine that a residence owned by someone 65 or older is no longer eligible for a homestead tax exemption, the chief appraiser must mail a written notice of the potential ineligibility to the property owner. The notice must contain a form on which the owner may indicate that he or she remains entitled to the exemption. If the appraiser does not receive the return form within 60 days, he or she must make a reasonable effort to contact the property owner and gather information to determine their exemption eligibility. Sending an additional notice of cancellation by first class mail with "Return Service Requested" written on the envelope is considered a reasonable effort on the part of the chief appraiser. The appraiser must then wait 30 days after making the reasonable effort to contact the property owner before cancelling the exemption.

C.S.H.B. 1463 amends current law relating to the procedure for canceling an exemption from ad valorem taxation of the residence homestead of an individual who is 65 years of age or older.

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 1.07(d), Tax Code, to require that a notice required by certain sections, including Section 11.43(q), be sent by certified mail.

SECTION 2. Amends Section 11.43, Tax Code, by amending Subsections (c) and (h) and adding Subsection (q), as follows:

(c) Prohibits the chief appraiser, if a person previously allowed the exemption is 65 years of age or older, from cancelling an exemption due to the person's failure to file a new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

(h) Requires the chief appraiser, if the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, to investigate. Requires the chief appraiser, subject to Subsection (q), if the chief appraiser determines that the property should not be exempt, to cancel the exemption and deliver written notice of the cancellation within five days after the date the exemption is canceled, rather than five days after the date he makes the cancellation. Makes nonsubstantive changes.

(q) Prohibits a chief appraiser from cancelling an exemption under Section 11.13 (Residence Homestead) that is received by an individual who is 65 years of age or older without first providing written notice of the cancellation to the individual receiving the

exemption. Requires that the notice include a form on which the individual may indicate whether the individual is qualified to receive the exemption and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. Requires the chief appraiser to consider the individual's response on the form in determining whether to continue to allow the exemption. Authorizes the chief appraiser, if the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, to cancel the exemption on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption. Provides that, for purposes of this subsection, sending an additional notice of cancellation that includes, in bold font equal to or greater in size than the surrounding text, the date on which the chief appraiser is authorized to cancel the exemption to the individual receiving the exemption immediately after the expiration of the 60-day period by first class mail in an envelope on which is written, in all capital letters, "RETURN SERVICE REQUESTED," or another appropriate statement directing the United States Postal Service to return the notice if it is not deliverable as addressed, or providing the additional notice in another manner that the chief appraiser determines is appropriate, constitutes a reasonable effort on the part of the chief appraiser. Provides that this subsection does not apply to an exemption under Section 11.13(c) (entitling an adult who is disabled or is 65 or older, in addition to the exemption provided by Subsection (b) of this section, to an exemption from taxation by a school district of \$10,000 of the appraised value of his residence homestead) or (d) (entitling an individual who is disabled or is 65 or older, in addition to the exemptions provided by Subsections (b) and (c) of this section, to an exemption from taxation by a taxing unit of a portion (the amount of which is fixed as provided by Subsection (e) of this section) of the appraised value of his residence homestead if the exemption is adopted either by the governing body of the taxing unit or by a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of a taxing unit, and requires the governing body to call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit) for an individual 65 years of age or older that is canceled because the chief appraiser determines that the individual receiving the exemption no longer owns the property subject to the exemption.

SECTION 3. Provides that the change in law made by this Act applies only to an action taken by a chief appraiser to cancel a residence homestead exemption from ad valorem taxation that is received by an individual who is 65 years of age or older on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.