

## **BILL ANALYSIS**

Senate Research Center  
85R1386 CJC-D

S.B. 448  
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Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 1463, 84th Legislature, Regular Session, 2015, brought to the attention of the legislature that senior citizens, facing mobility, hearing, or vision impairments, required additional time and notice before the cancelation of their exemptions from certain property taxes. The bill, now signed into law, provided additional time for seniors to prove their continued residence on their homestead, and required the appraisal district to notify them on multiple occasions that their exemptions would be canceled if they did not respond to a request for proof of residency.

Despite this added protection, interested parties have noted that the same problem still exists in the question of deferrals of property taxes. These deferrals allow seniors to halt payment on their property taxes, and defer the payments until the property is no longer considered their homestead, either through moving, sale of the house, or bequest of the property to an heir following their death, whereupon the owed back taxes will be taken from the value of the property, or billed to the senior citizen should they move out but wish to keep the home. If a senior citizen has their deferral erroneously canceled, it can result in the foreclosure of their homestead.

The same steps taken to safeguard senior citizens from erroneous cancelation of their property tax exemption should be taken to safeguard seniors against erroneous cancelation of their property tax deferrals.

S.B. 448 amends Section 33.06, Tax Code, to prevent an appraisal district from canceling a property tax deferral from someone over the age of 65 until first providing written notice of the cancelation to the individual receiving the deferral. This notice must include a form on which the individual may indicate if they remain qualified to receive the deferral, and a self-addressed postage-paid envelope with instructions for returning to the appraisal district. The individual will have 60 days from the postmark of the notice to respond, and the deferral may be canceled after the 30th day following the end of this 60-day period.

By extending the same levels of notice for exemptions to deferrals, S.B. 448 ensures that no senior loses their home due to an erroneous cancelation of their deferral.

Supporters of the bill contend that these added protections will prevent avoidable and disastrous foreclosures of seniors' homesteads.

There is no known opposition to this legislation at this time.

As proposed, S.B. 448 amends current law relating to the procedure for canceling a deferral or abatement of collection of ad valorem taxes on the residence homestead of an elderly person.

### **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 include Section 33.06(h) in a list of certain sections whose required notices must be sent by certified mail.

SECTION 2. Amends Section 33.06, Tax Code, by adding Subsection (h), as follows:

(h) Prohibits the chief appraiser (appraiser) from making a determination that an individual who is 65 years of age or older is no longer entitled to receive a deferral or abatement because the property for which the deferral or abatement was obtained is no longer the individual's principal residence, without first providing written notice to the individual stating that the appraiser believes the property may no longer be the individual's principal residence. Requires the notice to include a form on which the individual is authorized to indicate that the property remains the individual's principal residence and a self-addressed postage prepaid envelope with instructions for returning the form to the appraiser. Requires the appraiser to consider the individual's response on the form in determining whether the property remains the individual's principal residence. Authorizes the appraiser, if the appraiser does not receive a response on or before the 60th day after the date the notice is mailed, to make a determination that the property is no longer the individual's principal residence 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 property remains the individual's principal residence. Provides that sending an additional notice that includes certain requirements constitutes a reasonable effort on the appraiser's part. Authorizes the appraiser to include a required notice in a notice required under Section 11.43(g) (relating to a notification to the appraiser that an entitlement to an exemption has ended), if applicable.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2017.