

## **BILL ANALYSIS**

C.S.H.B. 1463  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties suggest that, because some senior citizens struggle with mobility issues, hearing or vision impairment, or other ailments, they should be given additional time and opportunities to respond to appraisal districts before having their property taxes raised. C.S.H.B. 1463 seeks to provide senior citizens with greater security in their dealings with appraisal districts.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1463 amends the Tax Code to prohibit a chief appraiser from canceling a residence homestead property tax exemption that is received by an individual who is 65 years of age or older without first providing written notice of the cancellation sent by certified mail to the individual receiving the exemption. The bill requires the notice to 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.

C.S.H.B. 1463 requires the chief appraiser to consider the individual's response on the form in determining whether to continue to allow the exemption. The bill authorizes the chief appraiser to cancel the exemption if the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed but only after the chief appraiser makes a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption. The bill sets out the actions that constitute a reasonable effort on the part of the chief appraiser and establishes that these notice requirements do not apply to an exemption for an individual who is disabled or 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. The bill also prohibits a chief appraiser, if a person previously allowed certain property tax exemptions is 65 years of age or older, from canceling the person's exemption due to the person's failure to file a new application to confirm the person's current qualification for the exemption unless the chief appraiser complies with these notice requirements, if applicable.

## EFFECTIVE DATE

September 1, 2015.

## COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1463 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

### INTRODUCED

SECTION 1. Section 1.07(d), Tax Code, is amended.

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

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30, 11.31, or 11.315, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, the chief appraiser may 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. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q).

(h) If the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, the chief appraiser [~~he~~] shall investigate. Subject to Subsection (q), if the chief appraiser [~~H—he~~] determines that the property should not be exempt, the chief appraiser [~~he~~] shall cancel the exemption and deliver written notice of the cancellation within five days after the date the exemption

### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

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

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30, 11.31, or 11.315, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, the chief appraiser may 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. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

(h) If the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, the chief appraiser [~~he~~] shall investigate. Subject to Subsection (q), if the chief appraiser [~~H—he~~] determines that the property should not be exempt, the chief appraiser [~~he~~] shall cancel the exemption and deliver written notice of the cancellation within five days after the date the exemption

is canceled [~~he makes the cancellation~~].  
(q) A chief appraiser may not cancel an exemption under Section 11.13 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. The notice must 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. The chief appraiser shall consider the individual's response on the form in determining whether to continue to allow the exemption. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption. The comptroller by rule shall adopt standards for determining what constitutes a reasonable effort on the part of a chief appraiser for purposes of this subsection and distribute those rules to each appraisal district. This subsection does not apply to an exemption under Section 11.13(c) or (d) 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. 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. An action taken by a chief appraiser to cancel a residence homestead exemption from ad valorem taxation that is received by an

is canceled [~~he makes the cancellation~~].  
(q) A chief appraiser may not cancel an exemption under Section 11.13 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. The notice must 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. The chief appraiser shall consider the individual's response on the form in determining whether to continue to allow the exemption. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption. For purposes of this subsection, sending an additional notice of cancellation 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. This subsection does not apply to an exemption under Section 11.13(c) or (d) 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. Same as introduced version.

individual who is 65 years of age or older before the effective date of this Act is governed by the law in effect on the date the action was taken, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2015.

SECTION 4. Same as introduced version.