

BILL ANALYSIS

Senate Research Center
84R19021 CJC-D

H.B. 1464
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Finance
5/17/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to ensure that seniors (persons 65 years or older) have a sufficient amount of time to respond to appraisal districts before their property taxes are increased. Since many seniors struggle with mobility issues and hearing and vision impairments, it can be difficult for them to respond to appraisal districts' deadlines and requirements. This miscommunication has caused many seniors to lose their agricultural or open-space tax exemptions.

H.B. 1464 seeks to amend Section 23.43(d), Tax Code, by requiring the chief appraiser to mail a written notice of potential ineligibility to senior landowners. The notice would contain a form for the owner to indicate that he or she remains entitled to the exemption. If the appraiser does not receive the return form within 60 days, the chief appraiser must make a reasonable effort to contact the land owner and gather his or her opinion on the issue of exemption eligibility. This notification would provide seniors with additional time and opportunities to respond to an appraisal district before they are deemed ineligible. This added layer of security would help protect both the appraisal district and the landowners.

H.B. 1464 amends current law relating to the procedure for determining that certain land is no longer eligible for appraisal for ad valorem tax purposes as agricultural or open-space land.

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 Sections 23.46(f) and 23.551(a), be sent by certified mail.

SECTION 2. Amends Section 23.43(d), Tax Code, as follows:

(d) Requires the comptroller of public accounts of the State of Texas (comptroller) in prescribing the contents of the application forms to ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim. Requires the comptroller to require that the form permit a claimant who has previously been allowed an agricultural designation to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported. Requires that the form include a space for the claimant to state the claimant's date of birth. Provides that failure to provide the date of birth does not affect a claimant's right to an agricultural designation under this subchapter.

SECTION 3. Amends Section 23.46, Tax Code, by amending Subsection (c) and adding Subsection (f), as follows:

(c) Provides that, if land that has been designated for agricultural use in any year is sold or diverted to a nonagricultural use, the total amount of additional taxes for the three years preceding the year in which the land is sold or diverted plus interest at the rate

provided for delinquent taxes becomes due. Provides that subject to Subsection (f), a determination that the land has been diverted to a nonagricultural use is made by the chief appraiser. Makes no further change to this subsection.

(f) Requires the chief appraiser, if land designated for agricultural use under this subchapter is owned by an individual 65 years of age or older, before making a determination that the land has been diverted to a nonagricultural use, to deliver a written notice to the owner stating that the chief appraiser believes the land may have been diverted to a nonagricultural use. Requires that the notice include a form on which the owner may indicate that the owner remains entitled to have the land designated for agricultural use and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. Requires the chief appraiser to consider the owner's response on the form in determining whether the land has been diverted to a nonagricultural use. Requires 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 make a reasonable effort to locate the owner and determine whether the owner remains entitled to have the land designated for agricultural use before determining that the land has been diverted to a nonagricultural use. Provides that, for purposes of this subsection, sending an additional notice to the owner 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.

SECTION 4. Amends Sections 23.54(c) and (e), Tax Code, as follows:

(c) Requires the comptroller to include on the form a notice of the penalties prescribed by Section 37.10 (Tampering with Governmental Record), Penal Code, for making or filing an application containing a false statement. Requires the comptroller, in prescribing the contents of the application form, to require that the form permit a claimant who has previously been allowed appraisal under this subchapter to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported. Requires that the form include a space for the claimant to state the claimant's date of birth. Provides that failure to provide the date of birth does not affect a claimant's eligibility to have the claimant's land appraised under this subchapter.

(e) Provides that, if a person fails to file a valid application on time, the land is ineligible for appraisal as provided by this subchapter for that year. Provides that, once an application is filed and appraisal under this subchapter is allowed, the land is eligible for appraisal under this subchapter in subsequent years without a new application unless the ownership of the land changes or its eligibility under this subchapter ends. Provides that, however, subject to Section 23.551, if the chief appraiser has good cause to believe that land is no longer eligible for appraisal under this subchapter, rather than if he has good cause to believe the land's eligibility under this subchapter has ended, the chief appraiser may require a person allowed appraisal under this subchapter in a prior year to file a new application to confirm that the land is currently eligible for appraisal under this subchapter by delivering a written notice that a new application is required, accompanied by the application form, to the person who filed the application that was previously allowed.

SECTION 5. Amends Section 23.55(e), Tax Code, as follows:

(e) Provides that subject to Section 23.551, a determination that a change in use of the land has occurred is made by the chief appraiser. Makes no further change to this subsection.

SECTION 6. Amends Subchapter D, Chapter 23, Tax Code, by adding Section 23.551, as follows:

Sec. 23.551. ADDITIONAL NOTICE TO CERTAIN LANDOWNERS. (a) Requires the chief appraiser, if land appraised as provided by this subchapter is owned by an individual 65 years of age or older, before making a determination that a change in use of the land has occurred, to deliver a written notice to the owner stating that the chief appraiser believes a change in use of the land may have occurred.

(b) Requires that the notice include a form on which the owner may indicate that the land remains eligible to be appraised as provided by this subchapter and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser.

(c) Requires the chief appraiser to consider the owner's response on the form in determining whether the land remains eligible for appraisal under this subchapter.

(d) Requires 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 make a reasonable effort to locate the owner and determine whether the land remains eligible to be appraised as provided by this subchapter before determining that a change in use of the land has occurred.

(e) Provides that, for purposes of this section, sending an additional notice to the owner immediately after the expiration of the 60-day period prescribed by Subsection (d) 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.

SECTION 7. Amends Section 521.049(d), Transportation Code, as follows:

(d) Requires the Department of Public Safety of the State of Texas (DPS), to assist chief appraisers in determining the eligibility of individuals for residence homestead exemptions from ad valorem taxation under Section 11.13 (Residence Homestead), Tax Code, and the applicability to certain individuals of additional notice provisions under Subchapters C (Land Designated for Agricultural Use) and D (Appraisal of Agricultural Land), Chapter 23 (Appraisal Methods and Procedures), Tax Code, to provide, without charge, to the chief appraiser of each appraisal district in this state:

(1) a copy of each driver's license record or personal identification certificate record held by DPS; or

(2) information relating to the name, date of birth, driver's license or personal identification certificate number, and most recent address as shown in the records of individuals included in DPS's driver's license or personal identification certificate records.

SECTION 8. Provides that the change in law made by this Act applies only to a determination by a chief appraiser that an individual 65 years of age or older is no longer eligible to have land appraised as provided by Subchapter C or D, Chapter 23, Tax Code, that is made on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 9. Effective date: September 1, 2015.