

1-1 By: Watson S.B. No. 1943
 1-2 (In the Senate - Filed March 7, 2019; March 19, 2019, read
 1-3 first time and referred to Committee on Property Tax;
 1-4 April 30, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 5, Nays 0; April 30, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Bettencourt	X			
1-9 Paxton	X			
1-10 Creighton	X			
1-11 Hancock	X			
1-12 Hinojosa	X			

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 1943 By: Hinojosa

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the ad valorem taxation of heir property.
 1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-19 SECTION 1. Section 1.04, Tax Code, is amended by adding
 1-20 Subdivisions (20) and (21) to read as follows:
 1-21 (20) "Heir property" means real property:
 1-22 (A) owned by one or more individuals, at least
 1-23 one of whom claims the property as the individual's residence
 1-24 homestead; and
 1-25 (B) acquired by the owner or owners by will,
 1-26 transfer on death deed, or intestacy, regardless of whether the
 1-27 interests of the owners are recorded in the real property records of
 1-28 the county in which the property is located.
 1-29 (21) "Heir property owner" means an owner of heir
 1-30 property who claims the property as the individual's residence
 1-31 homestead.
 1-32 SECTION 2. Chapter 5, Tax Code, is amended by adding Section
 1-33 5.061 to read as follows:
 1-34 Sec. 5.061. EXPLANATION OF INFORMATION RELATED TO HEIR
 1-35 PROPERTY. The comptroller shall prepare and electronically publish
 1-36 a pamphlet that provides information to assist heir property owners
 1-37 in applying for a residence homestead exemption authorized by
 1-38 Chapter 11. The pamphlet must include:
 1-39 (1) a list of the residence homestead exemptions
 1-40 authorized by Chapter 11;
 1-41 (2) a description of the process for applying for an
 1-42 exemption as prescribed by Section 11.43;
 1-43 (3) a description of the documents an owner is
 1-44 required by Section 11.43(o) to submit with an application to
 1-45 demonstrate the owner's ownership of an interest in heir property;
 1-46 (4) contact information for the division of the State
 1-47 Bar of Texas from which a person may obtain a listing of individuals
 1-48 and organizations available to provide free or reduced-fee legal
 1-49 assistance; and
 1-50 (5) a general description of the process by which an
 1-51 owner may record the owner's interest in heir property in the real
 1-52 property records of the county in which the property is located.
 1-53 SECTION 3. Section 11.13(h), Tax Code, is amended to read as
 1-54 follows:
 1-55 (h) Joint, community, or successive owners may not each
 1-56 receive the same exemption provided by or pursuant to this section
 1-57 for the same residence homestead in the same year. An eligible
 1-58 disabled person who is 65 or older may not receive both a disabled
 1-59 and an elderly residence homestead exemption but may choose either.
 1-60 A person may not receive an exemption under this section for more

2-1 than one residence homestead in the same year. An heir property
2-2 owner who qualifies heir property as the owner's residence
2-3 homestead under this chapter is considered the sole recipient of
2-4 any exemption granted to the owner for the residence homestead by or
2-5 pursuant to this section.

2-6 SECTION 4. Section 11.26, Tax Code, is amended by adding
2-7 Subsection (p) to read as follows:

2-8 (p) An heir property owner who qualifies heir property as
2-9 the owner's residence homestead under this chapter is considered
2-10 the sole owner of the property for the purposes of this section.

2-11 SECTION 5. Section 11.261, Tax Code, is amended by adding
2-12 Subsection (n) to read as follows:

2-13 (n) An heir property owner who qualifies heir property as
2-14 the owner's residence homestead under this chapter is considered
2-15 the sole owner of the property for the purposes of this section.

2-16 SECTION 6. Section 11.41, Tax Code, is amended by adding
2-17 Subsection (c) to read as follows:

2-18 (c) An heir property owner who qualifies heir property as
2-19 the owner's residence homestead under this chapter is considered
2-20 the sole owner of the property for the purposes of this section.

2-21 SECTION 7. Section 11.43, Tax Code, is amended by amending
2-22 Subsection (o) and adding Subsections (o-1) and (o-2) to read as
2-23 follows:

2-24 (o) The application form for a residence homestead [an]
2-25 exemption [authorized by Section 11.13] must require an applicant
2-26 [for an exemption under Subsection (c) or (d) of that section] who
2-27 is not specifically identified on a deed or other appropriate
2-28 instrument recorded in the [applicable] real property records of
2-29 the county in which the property is located as an owner of the
2-30 residence homestead, including an heir property owner, to provide:

2-31 (1) an affidavit [or other compelling evidence]
2-32 establishing the applicant's ownership of an interest in the
2-33 property;

2-34 (2) a copy of the death certificate of the prior owner
2-35 of the property, if the applicant is an heir property owner;

2-36 (3) a copy of the most recent utility bill for the
2-37 property; and

2-38 (4) a citation of any court record relating to the
2-39 applicant's ownership of the property if available [homestead].

2-40 (o-1) The application form for a residence homestead
2-41 exemption may not require an heir property owner to provide a copy
2-42 of an instrument recorded in the real property records of the county
2-43 in which the property is located.

2-44 (o-2) The application form for a residence homestead
2-45 exemption must require:

2-46 (1) an applicant who is an heir property owner to state
2-47 that the property for which the application is submitted is heir
2-48 property; and

2-49 (2) each owner of an interest in heir property who
2-50 occupies the property as the owner's principal residence, other
2-51 than the applicant, to provide an affidavit that authorizes the
2-52 submission of the application.

2-53 SECTION 8. Subchapter C, Chapter 11, Tax Code, is amended by
2-54 adding Section 11.49 to read as follows:

2-55 Sec. 11.49. LEGAL TITLE NOT AFFECTED. (a) The grant or
2-56 denial of an application by an heir property owner for a residence
2-57 homestead exemption under this chapter does not affect the legal
2-58 title of the property subject to the application and does not
2-59 operate to transfer title to that property.

2-60 (b) An appraisal district, chief appraiser, appraisal
2-61 review board, or county assessor-collector may not be made a party
2-62 to a proceeding to adjudicate ownership of property described by
2-63 Subsection (a) except as prescribed by this title.

2-64 SECTION 9. Section 33.06, Tax Code, is amended by adding
2-65 Subsection (h) to read as follows:

2-66 (h) An heir property owner who qualifies heir property as
2-67 the owner's residence homestead under Chapter 11 is considered the
2-68 sole owner of the property for the purposes of this section.

2-69 SECTION 10. Section 33.065, Tax Code, is amended by adding

3-1 Subsection (j) to read as follows:

3-2 (j) An heir property owner who qualifies heir property as
3-3 the owner's residence homestead under Chapter 11 is considered the
3-4 sole owner of the property for the purposes of this section.

3-5 SECTION 11. Not later than January 1, 2020, the comptroller
3-6 of public accounts shall make available the pamphlet required by
3-7 Section 5.061, Tax Code, as added by this Act.

3-8 SECTION 12. The changes in law made by this Act apply only
3-9 to an ad valorem tax year that begins on or after the effective date
3-10 of this Act.

3-11 SECTION 13. This Act takes effect September 1, 2019.

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