

Chapter 239

H.B. No. 626

AN ACT

relating to late applications for certain exemptions from ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.431, Tax Code, is amended to read as follows:

Sec. 11.431. LATE APPLICATION FOR HOMESTEAD EXEMPTION. (a) The chief appraiser shall accept and approve or deny an application for a residence homestead exemption, including an exemption under Section 11.131 or 11.132 for the residence homestead of a disabled veteran or the surviving spouse of a disabled veteran or an exemption under Section 11.133 for the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action, after the deadline for filing it has passed if it is filed not later than two years [~~one year~~] after the delinquency date for the taxes on the homestead.

(b) If a late application is approved after approval of the appraisal records by the appraisal review board, the chief appraiser shall notify the collector for each unit in which the residence is located not later than the 30th day after the date the late application is approved. The collector shall deduct from the person's tax bill the amount of tax imposed on the exempted amount if the tax has not been paid. If the tax has been paid, the collector shall refund the amount of tax imposed on the exempted

1 amount. The collector shall pay the refund not later than the 60th
2 day after the date the chief appraiser notifies the collector of the
3 approval of the exemption. A person is not required to apply for a
4 refund under this subsection to receive the refund.

5 SECTION 2. Section 11.439, Tax Code, is amended to read as
6 follows:

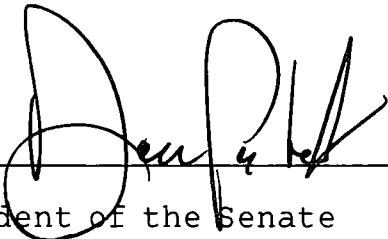
7 Sec. 11.439. LATE APPLICATION FOR DISABLED VETERANS
8 EXEMPTION. (a) The chief appraiser shall accept and approve or
9 deny an application for an exemption under Section 11.22 after the
10 filing deadline provided by Section 11.43 if the application is
11 filed not later than five years [~~one year~~] after the delinquency
12 date for the taxes on the property.

13 (b) If a late application is approved after approval of the
14 appraisal records for the year for which the exemption is granted,
15 the chief appraiser shall notify the collector for each taxing unit
16 in which the property was taxable in that year not later than the
17 30th day after the date the late application is approved. The
18 collector shall correct the taxing unit's tax roll to reflect the
19 amount of tax imposed on the property after applying the exemption
20 and shall deduct from the person's tax bill the amount of tax
21 imposed on the exempted portion of the property for that year. If
22 the tax and any related penalties and interest have been paid, the
23 collector shall pay to the person a refund of the tax imposed on the
24 exempted portion of the property and the corresponding portion of
25 any related penalties and interest paid. The collector shall pay
26 the refund not later than the 60th day after the date the chief
27 appraiser notifies the collector of the approval of the exemption.

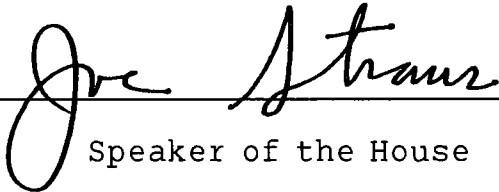
1 ~~[No additional interest is due on the amount refunded.]~~

2 SECTION 3. The changes in law made by this Act to Sections
3 11.431 and 11.439, Tax Code, apply only to an application for an
4 exemption filed under Section 11.431 or 11.439, Tax Code, for the
5 2016 tax year or a later tax year.

6 SECTION 4. This Act takes effect September 1, 2017.

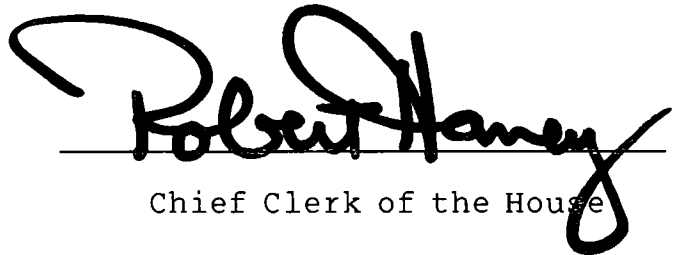


President of the Senate



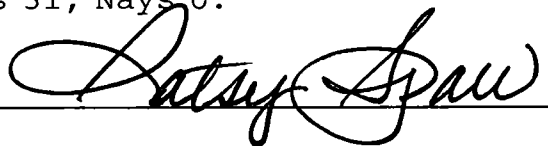
Speaker of the House

I certify that H.B. No. 626 was passed by the House on May 3, 2017, by the following vote: Yeas 144, Nays 0, 1 present, not voting.



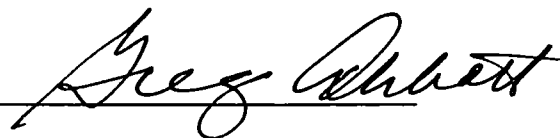
Chief Clerk of the House

I certify that H.B. No. 626 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

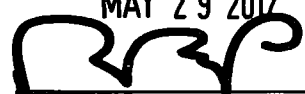


Secretary of the Senate

APPROVED: 5-28-2017
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:00 PM O'CLOCK
MAY 29 2017


Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 9, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB626** by Workman (Relating to late applications for certain exemptions from ad valorem taxation.), **As Engrossed**

Passage of the bill would allow the granting of certain late homestead and disabled veteran exemptions. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to require a chief appraiser to accept and approve, or deny, a late application for a residence homestead exemption regardless of which section of the Tax Code authorizes it if it is filed not later than two years (rather than one year) after the delinquency date for the taxes. The bill would place a deadline of not later than the 30th day after the date the late application is approved on the requirement that the chief appraiser notify the collector for each taxing unit if a late application is approved after approval of the appraisal records by the appraisal review board.

A tax collector would be required to pay a refund on an approved late homestead exemption not later than the 60th day after the date the chief appraiser notifies the collector of the approval.

A chief appraiser would be required to accept and approve or deny a late application for a partial exemption for a disabled veteran if the application is filed not later than five years (rather than one year) after the delinquency date for the taxes on the property. The bill would place a deadline of not later than the 30th day after the date the late application is approved on the requirement that the chief appraiser notify the collector for each taxing unit if a late application is approved after approval of the appraisal records for the applicable year. The bill would strike the provision that no additional interest is due on the amount refunded.

The bill's provisions allowing the granting of certain late homestead and disabled veteran exemptions would create a cost to local taxing units and to the state through the school finance formulas. Striking the provision that no additional interest is due on approved late partial exemptions for disabled veterans would create a cost to local taxing units but not to the state (interest is not included in the school finance formulas). The number and value of late exemptions that would be granted under the bill that are not granted under current law regarding late exemptions is not known; consequently, the cost of the bill cannot be estimated.

The bill would take effect September 1, 2017.

Local Government Impact

Passage of the bill would allow the granting of certain late homestead and disabled veteran exemptions. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced. Additionally, passage of the bill would strike the provision that no additional interest is due on approved late partial exemptions for disabled veterans. As a result, revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 3, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB626 by Workman (Relating to late applications for certain exemptions from ad valorem taxation.), **As Introduced**

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The bill's provisions allowing the granting of certain late homestead and disabled veteran exemptions would create a cost to local taxing units and to the state through the school finance formulas. Striking the provision that no additional interest is due on approved late partial exemptions for disabled veterans would create a cost to local taxing units but not to the state (interest is not included in the school finance formulas). The number and value of late exemptions that would be granted under the bill that are not granted under current law regarding late exemptions is not known; consequently, the cost of the bill cannot be estimated.

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