

BILL ANALYSIS

Senate Research Center
86R3508 SMT-D

S.B. 2060
By: Menéndez
Property Tax
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many individuals are unaware of potential tax exemptions when they receive appraisal notices in the mail. This can lead them to miss out on potential benefits for which they are eligible. Veterans, individuals with disabilities, and surviving spouses of veterans and first responders are eligible for property tax exemptions. This can have a significant impact on those in financial distress. These individuals are not always aware of their exemption status and it is pertinent that we ensure that they are aware and can file paperwork accordingly.

Tax exemptions can save thousands of dollars for individuals. The United States Department of Veterans Affairs' 2010 National Survey of Veterans found that 59 percent of respondents said "their understanding of available benefits was 'a little' or 'not at all.'" This may be due partially to complexity in filing and reporting, as well as to lack of communication from agencies. This bill would allow clarification for those benefiting from property tax preferences.

S.B. 2060 would enforce that the chief appraiser of an appraisal district include a brief explanation of each tax preference available to the individual when they receive their appraisal notice. It also identifies which individuals with certain tax preferences would be affected by this change and defines tax preference.

As proposed, S.B. 2060 amends current law relating to the contents of a notice of appraised value sent to a property owner by the chief appraiser of an appraisal district.

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 25.19, Tax Code, by adding Subsections (1) and (m), as follows:

(1) Requires the chief appraiser to, in addition to the information required by Subsection (b) (relating to the requirement that the chief appraiser separate real from personal property and include in the notice certain information), include with a notice required by Subsection (a) (relating to the requirement that the chief appraisal deliver a clear and understandable written notice to a property owner) a brief explanation of each tax preference required or authorized by this title that is available to:

- (1) a disabled veteran or the veteran's surviving spouse or child;
- (2) an individual who is 65 years of age or older or the individual's surviving spouse;
- (3) an individual who is disabled or the individual's surviving spouse;
- (4) the surviving spouse of a member of the armed services of the United States who is killed in action; or

(5) the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

(m) Defines "tax preference," for purposes of Subsection (l), as:

(1) a total or partial exemption of property from taxation;

(2) a limitation on the amount of taxes that may be imposed on property by a taxing unit;

(3) the right to pay taxes imposed on property in installments;

(4) the right to perform service for a taxing unit in lieu of paying taxes imposed on property by the taxing unit; or

(5) the right to defer collection of a tax, abate a suit to collect a delinquent tax, or abate a sale to foreclose a tax lien.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2020.