

BILL ANALYSIS

Senate Research Center
86R26879 SMT-D

C.S.S.B. 2060
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Property Tax
4/23/2019
Committee Report (Substituted)

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 certain property tax exemptions. 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 taxpayers. 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, and lack of communication from agencies. This bill would allow clarification for those benefiting from property tax preferences.

S.B. 2060 would require 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.

S.B. 2060 amends Section 1(m), Subsection 4, to clarify that the service provided for this tax preference can be paid in lieu of paying taxes on the property if the exemption is permitted by the governing body of the taxing unit, rather than by the taxing unit themselves. The committee substitute clarifies the role of the tax appraiser in administering appraisal notices. The role of the tax appraiser is to value property and provide the exemptions as listed in Subsection (l). The original bill included Subsection (m) that pertained to the tax assessor. The committee substitute removes Subsection (m). These clarifications were made by speaking with various stakeholders.

C.S.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 Subsection (1), as follows:

- (l) 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 appraiser deliver a clear and understandable written notice of appraised value to a property owner if the property is a certain single family residence) a brief explanation of each total or partial exemption of property from taxation required or authorized by this title (Property Tax Code) 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.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2020.