

# Borden County Appraisal District

## Homestead Procedures

### Homestead Audit Procedures

*SB 1801 Effective 09/01/2023*

SB 1801 amends Section 11.43 of the Property Tax Code. Section 11.43(h-1) requires the chief appraiser of an appraisal district to develop a program for the periodic review of each residence homestead exemption granted by the district under Section 11.13 to confirm that the recipient of the exemptions still qualifies for the exemption. The program must require the chief appraiser to review each residence homestead exemption at least once every five tax years. The program may provide for review to take place in phases, with a portion of the exemption reviewed in each tax year.

#### The review will consist of:

- Verifying an application is on file for the current owner
- Verifying mailing address matches property address
- Verifying date of birth entered for owner and spouse
- Check other information:
  - Driver's license matches property location
  - Death of owner

**Tracking of homestead audit:** Property group codes will be used to determine which properties will be audited every 5 years.

- 1st Year: 1 – DVET/Disabled
- 1st Year: F – Disabled Widow
- 1st Year: S – Over65
- 2nd Year: H – Homestead

**A spreadsheet for each year will track properties in the homestead audit and results of the review.**

- Each tab will have:
  - PID
  - Address
  - Name
  - Exemption
  - Verified – to document when verified Y or N
  - Remove – for remove exemption Y or N
  - Date – for date worked
  - Staff – for staff initials once worked
  - Notes – for any notes about removal, really, etc.
- Initial mailing of letter and homestead application mailed January 31st (60 days). All returned applications with driver's license will be processed and updated on the spreadsheet.
- No response to initial mailing: 2nd notice mailed March 1st (30 days). Notice will be mailed certified stating if the application is not returned within 30 days the exemption will be removed for the current tax year.
- All returned applications with current driver's license will be processed and updated on the spreadsheet.
- No response after the end of the 30 days: the exemption(s) will be removed and coded for Canceled/Reduced Exemption Notice (Se. 25.193) in April.

### **Use of property group codes:**

- Group codes have been assigned to all HS properties
- Do not remove group codes unless property no longer has exemption
- Each year at the start of the project, a query will be run to identify properties by group code and exemption
- If no HS exemption, group code will be removed

## **Homestead Exemption Application Procedures for Property Acquired after January 1**

If the preceding owner did not have the Homestead (HS) Exemption on the property, the exemption is prorated and must be applied for before the first anniversary of the date the owner acquired the property.

The HS Cap resets on the following January 1 after purchase.

If the preceding owner did have the HS exemption on January 1, the exemption remains on the account for the remainder of the year regardless if the previous owner has filed a prorated HS exemption on a new property.

### **The HS application will be reviewed and processed:**

- Verifying the application is complete
- Verifying if the address on the owner driver's license or state identification is the same as the property situs address
- Verifying date of birth on driver's license or state identification
- Verifying ownership or heirship qualification
- Verifying date of property purchase or inheritance
- Enter information into the CAMA system

## **Homestead Heir Property Application Process**

Heir property is property owned by one or more individuals, where at least one owner claims the property as a residence homestead, and the property was acquired by will, transfer on death deed, or intestacy. An heir property owner not specifically identified as the residence homestead owner on a deed or other recorded instrument in the county where the property is located is required to provide appropriate documentation to qualify for the homestead exemption.

### **An heir property owner not specifically identified as the residence homestead owner on a deed or other recorded instrument in the county must provide:**

- An affidavit (form 50-114-A) establishing ownership of interest in the property
- Authorization from each heir property owner who occupies the property as a principal residence (Form 50-114-A)
- A copy of the prior property owner's death certificate
- A copy of the property's most recent utility bill
- A citation of any court record relating to the applications ownership of the property, if available

### **The HS application will be reviewed and processed:**

- Verifying an application is complete
- Verifying if the address on the owner driver's license or state identification is the same as the property situs address
- Verifying date of birth on driver's license or state identification

- Verifying or heirship qualification
- Verifying date of inheritance
- Enter information into the CAMA system

## Homestead Over-65 Modification Procedure

If an exemption applicable to a residential property is reduced or cancelled in a year, the appraisal district will send a notice to the property owner. Notices pertaining to homestead exemptions will go out by April 1.

A chief appraiser may not cancel an exemption under Section 11.13 that is received by an individual who is 65 years of age or older without first providing written notice of the cancellation to the individual receiving the exemption.

The notice must include a form on which the individual may indicate whether the individual is qualified to receive the exemption and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. The chief appraiser shall consider the individual's response on the form in determining whether to continue to allow the exemption.

If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption.

An additional notice of cancellation will include, in bold font equal to or greater in size than the surrounding text, the date on which the chief appraiser is authorized to cancel the exemption to the individual receiving the exemption 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. This does not apply to an exemption for an Individual 65 years of age or older that is canceled because the chief appraiser determines the individual receiving the exemption no longer owns the property subject to the exemption.

### **Modification, denial or cancellation of Over-65 HS application:**

#### **First Written Notice of Cancellation – Certified Include:**

- Letter of modification, denial, or cancellation with notation a postage prepaid envelope is included
- HS/OA application with instructions
- Self-addressed postage prepaid envelope, post dated

Response required in 60 days.

#### **Immediately after the 60 days send 2nd Notice of Cancellation - 1st class include:**

- Date on which the chief appraiser is authorized to cancel exemption (in bold font) which is 90 days from the date of the 1st notice
- RETURN SERVICE REQUESTED on envelope

#### **Thirty (30) days after the 2nd Notice of Cancellation (90 days after 1st notice)**

- Cancel exemption and send notice

## Homestead Exemptions in General

A homeowner may not receive more than one residential homestead exemption per year. Homestead applications must be sworn and state that the owner has only one residence homestead exemption and the percentage interest of each owner. A property owner who acquires property after January 1 may receive the residence homestead exemption for the applicable portion of the tax year immediately on qualification of the exemption, if the previous owner did not receive the same exemption for the tax year.

A property owner who files for a homestead exemption and has completed the field for the date of birth and turns 65 in the following year, does not need to re-apply the following year.

The effect of partial ownership of an exempt property is clarified to require that the exemption amount be multiplied by the owner's percentage of the value of the property. Applications for a residence that is not 100% complete must be held until an appraiser field checks the property and records the percent complete in the property record.

Applications that fail to meet the qualifications as set out in the property tax code will be notified and if information can be provided to correct the application.

Each year BCAD sends out Residence Homestead Applications to new homeowners and to all properties that have a location the same as mailing address but do not have a homestead exemption.

Applications can be received by mail, via e-mail or at the appraisal office. The process assists in identifying properties that no longer qualify for the exemption.

Any request for a copy of an exemption must have social security numbers and driver's license numbers redacted prior to release.

## Homestead Exemptions for Manufactured Homes

To receive a residence homestead exemption, the application must be accompanied by a copy of the Statement of Ownership and location showing that the applicant is the owner of the manufactured home, or the application must be accompanied by a verified copy of the purchase contract showing that the applicant is the purchaser of the manufactured home.

The owner of land on which the mobile home sits that qualifies as a residence homestead is entitled to receive the homestead exemption and any other benefit granted to the owner of the mobile home regardless of whether the applicant has elected to treat the manufactured home as real property or personal property and regardless of whether the manufactured home is listed on the tax rolls with the real property to which it is attached or listed separately.