

EXEMPTIONS

EXEMPTION CATEGORIES

Absolute Exemptions

Public Property

Property owned by the State of Texas or its political subdivisions is exempt from taxation if it is used for public purposes. PTC Sec 11.11(a)

Public property rented or leased to a private business enterprise and not used for the purpose of the state agency or institution owning the property is taxable. PTC Sec 11.11(c)

The leasehold estate in public property is taxable to the lessee. If such a leasehold is terminated and taxes remain unpaid in the leasehold estate, the tax liability becomes a personal liability of the lessee who possessed the leasehold estate when the tax was imposed. PTC Sec 23.13 Notes

Federal Property

Property that is exempt under federal law is automatically exempt from taxation. PTC Sec 11.12

Tangible Personal Property Not Producing Income

An individual is entitled to an exemption from taxation on all tangible personal property, other than manufactured homes, that is owned and not held or used for production of income.

The governing body of a taxing entity may take official action to tax tangible personal property that is otherwise exempt. PTC Sec 11.14

Family Supplies and Farm Products

Family supplies that are reasonably necessary for daily use in operating and maintaining a home or farm are exempt from taxation. PTC Sec 11.15

Farm products in the hands of the producer are also exempt from taxation. Farm products include crops, livestock, poultry, nursery products in a growing state, and standing timber. PTC Sec 11.16

Implements of Farming or Ranching

Implements of farming or ranching used in the production of farm, ranch, or timber products are exempt from taxation. Implements of farming, ranching, or timber production are movable personal property necessary to carry on the business of farming, ranching, or timber production and include tractors, plows, combines, and other specially equipped machinery. Improvements or fixtures to real property are not considered implements. PTC Sec 11.161 and Notes

Cemeteries

Property that is owned and used exclusively for human burial and is not used for the production of income is exempt from taxation. Such property must be dedicated exclusively for the purpose of human burial. PTC Sec 11.17

Charitable Organizations

Property that is owned by an organization that qualifies as a charitable organization as provided by the Property Tax Code is entitled to an exemption from taxation on the buildings and tangible personal property that are owned and exclusively used by the charitable organization. PTC Sec 11.18

Youth Development Associations

Associations that promote the threefold purposes of religious, educational, and physical development for boys, girls, young men, and young women are exempt from taxation. PTC Sec 11.19

Religious Organizations

Certain property owned by a religious organization may qualify for an exemption. The organization must meet all legal requirements outlined in the Property Tax Code to be exempt. If the organization does qualify, all of the property used for religious purposes, including property reasonably necessary for use as a clergy residence, is exempt from taxation. PTC Sec 11.20

Schools

The property owned and used by a qualifying school is exempt from taxation. PTC Sec 11.21

Miscellaneous Absolute Exemptions

The property listed below is also exempt from taxation providing it qualifies under the guidelines of the Property Tax Code:

1. Federation of Women's Clubs
2. Nature Conservancy of Texas
3. Congress of Parents and Teachers
4. Private Enterprise Demonstration Associations
5. Bison, buffalo, and cattalo
6. Theater schools
7. Community service clubs
8. Medical center developments
9. Scientific research corporations
10. Solar and wind-powered energy devices
11. Offshore drilling equipment not in use
12. Intracoastal waterway dredge disposal sites (there is no constitutional provision for this exemption)
13. Veterans' organizations
14. Marine cargo containers used exclusively in international commerce
15. Nonprofit water supply or wastewater service corporations
16. County fair associations
17. Incomplete improvements

18. Motor vehicles leased for personal use (unless governing body of city takes action to tax before January 1, 2002)
19. Pollution control property (refer to section one (1) of this manual for more information)
20. Certain water conservation initiatives

PTC Sec 11.23
 PTC Sec 11.25
 PTC Sec 11.252
 PTC Sec 11.27
 PTC Sec 11.271
 PTC Sec 11.29
 PTC Sec 11.30
 PTC Sec 11.31
 PTC Sec 11.32

Tax Abatements

Property that is the subject of a tax abatement agreement with a taxing entity is entitled to an exemption, either in whole or in part, depending on the terms of the abatement agreement. PTC Sec 11.28

For detailed information on tax abatements, refer to section three (3) of this manual.

Low Income Housing Organizations

Charitable organizations improving property for low-income housing and community housing development organizations improving property for low-income and moderate-income housing are entitled to an exemption providing they meet all of the requirements outlined in the Property Tax Code.

PTC Sec 11.181
 PTC Sec 11.182

Tangible Personal Property Producing Income and Mineral Interests with Value Less Than \$500

Tangible personal property that is held or used for the production of income is exempt if it has a taxable value of less than \$500. PTC Sec 11.145

Mineral interests are exempt from taxation if the interest has a taxable value of less than \$500. PTC Sec 11.146

Associations Providing Assistance to Ambulatory Health Care Centers

Associations engaging exclusively in providing assistance to ambulatory health care centers that provide medical care to individuals without regard to the individuals' ability to pay, including providing policy analysis, disseminating information, conducting continuing education, providing research, collecting and analyzing data, or providing technical assistance to health care centers are entitled to an exemption providing they meet all of the requirements outlined in the Property Tax Code. PTC Sec 11.183

Organizations Engaged Primarily in Performing Charitable Functions

An exemption under this section may not be granted unless the exemption is adopted either by the governing body of the taxing unit or by a favorable vote of a majority of the qualified voters of the taxing unit.

Before an organization may submit an application for an exemption under this section, the organization must apply to the Comptroller for a determination of whether the organization is engaged primarily in performing functions listed in PTC Section 11.18(d) and is eligible for an exemption under this section.

An exemption under this section expires at the end of the fifth tax year after the year in which the exemption is granted. To continue to receive an exemption under this section after that year, the organization must obtain a new determination letter and reapply for the exemption. PTC Sec 11.184

Historic and Archeological Sites

Historic or Archeological Designation Granted

By local option, the governing body of a taxing entity may grant an historic or archeological exemption on property that has been designated as a Recorded Texas Historical Landmark or archeological site by the taxing entity and the Texas Historical Commission. If a taxing entity decides to grant such an exemption to a property, it must do so by official action in the manner required by law. A taxing entity must report adoption or changes of such an exemption to the Appraisal District within 30 days of action. PTC Sec 11.24

Exemption Amount

The governing body may exempt from taxation all or part of the market value of the improvement and the land of an historic or archeological site.

Exemption Procedures

If the historic or archeological site exemption granted by an entity exempts all of the property, the exemption is handled in the same manner as an absolute exemption.

If the historic or archeological site exemption exempts only a portion of the value of the property, the exemption is handled in the same manner as a tax abatement. Refer to section three (3) of this manual for procedures concerning tax abatements.

Documentation Required

In addition to filing an annual application form as outlined in section four (4) of this manual, a property owner must file a copy of the resolution adopted by the taxing entity granting the exemption and a copy of the resolution adopted by the Historic Landmark Commission verifying substantial completion of the restoration work.

Residence Homestead Exemptions

Definition

A property owned and used by the property owner as his residence homestead as of January 1 of each year qualifies for a residence homestead exemption on a

portion of the value of the property. A residence homestead is defined as a house and a yard used as the principal residence of the owner. Condominiums, townhomes, co-op housing, and mobile homes can also qualify as residence homesteads. PTC Sec 11.13

(Refer to section three (3) of this policy for exceptions concerning the qualification date for the over 65 homestead exemption.)

Types of Exemptions

General Homestead Exemptions:

A general homestead exemption is available to all qualifying property owners.

State Mandated:

Counties: A county that levies a farm-to-market road or flood control tax must grant a \$3,000 exemption.

School Districts: A school district must grant a \$25,000 exemption.

Local Option:

Any governing body of a taxing entity – county, city, school district, or special district – may grant a percentage homestead exemption. This optional exemption cannot exceed 20 percent of the market value, is in addition to all other exemptions that the taxing entity offers, and is applied prior to any other possible exemptions. If the exemption is granted, no homestead may receive less than a \$5,000 exemption from its value.

Over 65 Homestead Exemption and Surviving Spouse:

A property owner who is 65 years of age on or before December 31 of the tax year is entitled to receive this exemption in addition to the general homestead exemption. If a person is 55 years of age and is the surviving spouse of a person who was receiving the over 65 exemption at the time of death, the surviving spouse is entitled to receive this exemption.

State Mandated:

A school district must grant a \$10,000 exemption.

Local Option:

A taxing entity – county, city, school district, or special district – may grant an optional over 65 homestead exemption. The minimum amount of this exemption is \$3,000; law sets no maximum amount. For school districts, this exemption is granted in addition to the state-mandated exemption.

Disability Exemption:

A homeowner who is disabled for the purpose of payment of disability insurance benefits under the Federal Old-Age, Survivors, and Disability Insurance act is entitled to receive a disability exemption in addition to the general homestead exemption. If a person meets the definition of disability stated above but does not receive benefits from Social Security, he or she may still qualify for the disability exemption.

A homeowner may not receive both the disability and the over-65 homestead exemption. Unless a taxing entity grants a larger amount for the disability exemption than the over 65 exemption, it would be to the property owner's advantage to apply for the over 65 exemption since it freezes the taxes for school district purposes.

State Mandated:

A school district must grant a \$10,000 exemption.

Local Option:

A taxing entity – county, city, school district, or special district – may grant an optional disabled homestead exemption. The minimum amount of this exemption is \$3,000; no maximum amount is set by law. For school districts, this exemption is granted in addition to the state-mandated exemption.

Tax Ceiling:

SCHOOL DISTRICTS – OVER-65 AND DISABILITY

Individuals who qualify for the over 65, surviving spouse, or disability exemption granted by the school districts receive a tax ceiling, or freeze. This ceiling ensures that the school taxes on a residence homestead will not increase above the amount of tax imposed in the first year of the individual's qualification for the homestead. (The law on the school tax ceiling became effective in 1979. Tax ceilings were recalculated in 1997 due the passage of HB 4, which increased the state-mandated homestead from \$5,000 to \$15,000. ISD tax ceilings were recalculated in 2007 with the passage of HB 5. The tax ceiling on the disability exemption became effective 1/1/04.)

The school taxes on the homestead will not increase from the first year qualified provided that the person retains the homestead and does not make improvements such as an addition to the property or increases in land size into homesite.

If a person qualifies for the over-65 homestead exemption prior to receiving the general homestead exemption, the taxes are frozen at the lesser of the amount of taxes paid in the first year of qualification or the subsequent year. (This provision is necessary since the over-65 homestead exemption is retroactive to January 1 and the general homestead exemption is not.) PTC Sec 11.26(a)

The school tax ceiling is transferable should a property owner move to another residence in the State of Texas. The percentage of freeze is transferred to the new residence, not the amount of freeze. Refer to section four (4) of this manual for procedures regarding the transfer of the over-65 tax freeze. PTC Sec 11.26(h)

TAX CEILING – COUNTY, JR COLLEGE AND CITIES

By local option, the County, Junior College or any city may adopt the tax ceiling for individuals who qualify for the over 65, surviving spouse, or disabled exemption. The tax ceiling is the same as the school tax ceiling with the

exception of portability. A property owner qualifying for the tax ceiling for the County, Junior College and cities may only transfer the same percentage of taxes paid to a subsequent qualified homestead if the subsequent qualified homestead is in the same taxing unit. Further, the County, Junior College or any city may adopt the tax ceiling without adopting the local option over-65 or disabled exemption.

PTC Sec 11.261

Exemption Limitation

A property owner cannot receive a homestead exemption greater than the value of the property or the property owner's interest in that property.

Disabled Veterans' Exemption

Definition

Disabled veterans and their survivors receive a partial exemption based on the veteran's service-connected disability rating. All taxing entities must grant this exemption. A qualified veteran or survivor must designate only one property, real or personal, to receive the exemption. The designated property may receive other exemptions or special productivity valuation; however, the exemption may not be divided among two or more properties.

PTC Sec 11.22

Amount of Exemption

Listed below is the exemption amount allowed based on the disability rating:

0% to 9% disabled:	\$ 0
10% to 30% disabled:	\$ 5,000
31% to 50% disabled:	\$ 7,500
51% to 70% disabled:	\$10,000
In excess of 70% disabled:	\$12,000
10% disabled or more and over 65:	\$12,000
Loss of use of one or more limbs, total blindness In one or both eyes, or paraplegia	\$12,000

A surviving spouse of a person who dies on active duty receives an exemption of \$5,000 from the market value of a property the spouse owns and designates.

A surviving minor child of a deceased disabled veteran receives an exemption equal to the veteran's exemption at the time of death. The amount of exemption is divided by the number of eligible children. The exemption for each child applies to a property that the child owns and designates.

Pollution Control Exemptions

Pollution Control Defined

Pollution control property is defined as property that is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution. Property that is manufactured or produces a product or provides a service that prevents, monitors, controls, or reduces air, water, or land pollution is not pollution control property. Property used for residential purposes, or for recreational, park, or scenic uses as defined by PTC Section 23.81 is not pollution control property.

PTC Sec 11.31

Use Determination Made

A property owner seeking a pollution control exemption must first file a permit application with the Texas Natural Resources Conservation Commission (TNRCC).

Once TNRCC approves the application, they furnish a Use Determination to the Appraisal District stating the percentage of the exemption.

Application Filed

The property owner must then file an application with the Appraisal District as outlined in the next section.

EXEMPTION APPLICATIONS

Application Procedures

Application Filed

To receive an exemption, a person claiming the exemption must apply for it; an exception being those persons claiming an exemption for public or federal property, tangible personal property not producing income, tangible personal property producing income with a value less than \$500, mineral interests with a value less than \$500, family supplies, farm products, and implements of farming or ranching, and marine cargo containers used exclusively in international commerce.

To apply for an exemption, a person must file the appropriate exemption application form as listed below: PTC Sec 11.43(a)

1. Residence Homestead – general, over 65, and disability
2. Disabled Veteran
3. Cemeteries
4. Charitable Organizations
5. Dredge Disposal Site
6. Historic and Archeological Site
7. Tax Abatements
8. Miscellaneous Exemptions
 - a. Federation of Women’s Club
 - b. Nature Conservancy
 - c. Congress of Parents and Teachers
 - d. Private Enterprise Demonstration Associations
 - e. Medical Center Development
 - f. Community Service Club

- g. Scientific Research Organizations
- h. Veterans' Organizations
- 9. Offshore Drilling Equipment
- 10. Religious Organization
- 11. Schools
- 12. Solar or Wind-Powered Energy Devices
- 13. Theater Schools
- 14. Youth Development Organizations
- 15. Nonprofit Water Supply or Wastewater Service Corporations
- 16. Low Income Housing – Charitable Organizations
- 17. Low Income Housing – Community Housing Development Organizations
- 18. Pollution Control Property
- 19. Ambulatory Health Care Center Assistance

Application Frequency

ONE-TIME APPLICATION:

Once an exemption on the below listed properties has been granted, a new application is not required until the property changes ownership or the person's qualification for the exemption changes. However, the District may require a person to file a new application to confirm the current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form.

- 1. Residence homestead
 - 2. Disabled veterans
 - 3. Cemeteries
 - 4. Charitable organizations
 - 5. Youth, spiritual, mental, and physical development organizations
 - 6. Religious organizations
 - 7. Schools
 - 8. Intracoastal waterway dredge disposal sites
 - 9. Pollution control
 - 10. Medical center development
 - 11. Nonprofit water supply or wastewater service corp.
 - 12. Association providing assistance to ambulatory health care centers
 - 13. Charitable organizations improving property for low-income housing
 - 14. Community housing development organizations improving property for low-income housing
- PTC Sec 11.43(c)

ANNUAL APPLICATION:

An exemption application must be filed annually for the below listed properties:

- 1. Miscellaneous exemptions under PTC Sec 11.23
 - 2. Historic or archeological sites
 - 3. Solar- and wind-powered energy devices
 - 4. Offshore drilling equipment not in use
 - 5. Tax abatement agreements
 - 6. Freeport property
 - 7. Certain water conservation initiatives
- PTC Sec 11.43(b)

Application Date

Property owners required to file an exemption must do so before May 1 of each year. For good cause shown, the Chief Appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days. PTC Sec 11.43(d)

An organization that acquires property that qualifies for the charitable organizations improving property for low-income housing exemption (PTC Sec. 11.181) or the Community Housing Development Organizations Improving Property for low-income and moderate-income housing exemption (PTC Sec. 11.182) may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property.

PTC Sec 11.436(a)

Late Applications

If a person fails to file a required application timely, the exemption may not be granted for that year with the following exceptions:

1. Residence homestead exemptions may be filed after the deadline providing they are filed within one year after the taxes on the homestead became delinquent.

PTC Sec 11.43(e)

PTC Sec 11.431(a)

2. Religious organizations, schools, charitable organizations, and veteran's organizations exemptions may be approved after the filing deadline if the application is filed not later than December 31 of the fifth (5th) year after the year in which the taxes for which the exemption is claimed were imposed. The applications may not be approved if the taxes on the property for the year in which the exemption is claimed are paid before the application is filed.

PTC Sec 11.433(a)

PTC Sec 11.434(a)

PTC Sec 11.435(a)

PTC Sec. 11.438(a)

3. Disabled veteran's exemptions may be approved after the filing deadline providing they are filed within one year after the taxes on the homestead became delinquent.

PTC Sec. 11.439(a)

4. Freeport exemptions may be approved after the filing deadline if the application is filed before the date the Appraisal Review Board approves the appraisal records. (approximately July 20th)

PTC Sec. 11.439(a)

Publicizing Requirements

Each year the requirements relating to the availability of exemption forms and the filing requirements for the exemptions shall be publicized. PTC Sec 11.44(b)

Notification Requirement for Properties Requiring Annual Application

Before February 1 of each year, the exemption department must send an appropriate exemption application form to each person who received an exemption requiring annual application in the prior year. PTC Sec 11.44(a)

With each of these exemption applications, a brief explanation containing the following information shall be included:

1. A statement that the exemption claimed in the previous year must be applied for annually.
2. A statement that the applicant must file the application before May 1 of the tax year and must furnish the information required on the application for the application to be valid.
3. A statement that the Chief Appraiser, for good cause, may extend the deadline once for a period up to 60 days.
4. A statement that if the application is not timely filed, the exemption must be denied.
5. A statement that the Chief Appraiser is required to cancel a granted exemption if he discovers any reason that the exemption should not have been granted, and in such an event, the Chief Appraiser will deliver a written notice by certified mail to the property owner within 5 days after the date he makes the cancellation. PTD Rule 9.3034

Special Application Provisions for Deceased Persons

If a property owner becomes eligible for an over 65 or disability homestead exemption for the first time in a tax year but dies prior to making application for the exemption, and the surviving spouse is not eligible for the exemption, the surviving spouse may file the application for that year based on the deceased spouse's eligibility. PTC Sec 11.13(q)

In the subsequent tax year, the exemption will be deleted unless the surviving spouse becomes eligible for the exemption and makes application.

Confidential Information

A telephone number, driver's license number, personal identification certificate number, or social security number provided in an application for an exemption application is confidential and not open to public inspection. The information may not be disclosed to any one other than an employee of the District or to those persons specifically listed in PTC Sec 11.48(b). PTC Sec 11.48

Application Processed

Action on Application

Once an application is received, it must be acted upon in one of the following manners:

1. Approve the application
2. Modify the exemption
3. Disapprove the application and request additional information
4. Deny the application

If additional information is requested, the applicant must furnish it within 30 days after the date of the request or the application is automatically denied with no further action necessary. PTC Sec 11.45(a,b)

Notification Requirements on Modifications and Denials

If an application is modified or denied, the property owner must be mailed by certified mail a written notice of the modification or denial within five days after the date the determination is made. The notice must include a brief explanation of the procedures for protesting the modification or denial. PTC Sec 11.45(d)

Protest Procedures

In order to file a protest on the modification or denial of an exemption, a property owner must file a written protest within 30 days of the date the notice of the determination was mailed. PTC Sec 41.44(a)(2)

Sample: Should you disagree with this determination you may file a Notice of Protest no later than 30 days from the date of this letter. Upon receipt of your protest an appointment will be scheduled for you to present your case before the Appraisal Review Board at a formal hearing.

Exemption Codes

All accounts receiving an exemption are coded for the appropriate exemption code as listed on the Exempt Property Classification Codes.

The exemption application form is also coded in the top right-hand corner for the type of exemption granted as follows:

- R - General Residential Homestead
- H - Over 65
- D - Disability
- X - Surviving Spouse

Late Applications Coded

If a property owner files a late application as outlined in section four (4) of this manual, the application is coded in the same manner as above for the applicable tax year, with special care being given to the over-65 tax freeze calculations.

Files Maintained

The original exemption application is then scanned and filed per year in GEO number order.

Exemption Qualification Dates

Public Property

Property owned by the State of Texas or a political subdivision of the State of Texas is exempt from taxation immediately upon qualification for the exemption.

PTC Sec 11.42(b)

Over- 65 Homestead Exemption

The over 65 exemption and the disability exemption is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year. PTC Sec 11.42(c)

It is possible for a property owner to receive the over 65 homestead exemption OR the disability exemption and not receive the general homestead exemption.

Acquisition of Property After January 1

A property owner who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.17 (Cemeteries), 11.18 (Charitable Organizations), 11.19 (Youth Spiritual, Mental, and Physical Development Associations), 11.20 (Religious Organizations), 11.21 (Schools), 11.23 (Miscellaneous Exemptions), and 11.30 (Nonprofit Water Supply or Wastewater Service Corporations) for the applicable portion of that tax year immediately on qualification for the exemption. PTC Sec 11.42(d)

Extension for Amendment to Bylaws – Religious Organizations and Schools

If an exemption application is denied for a religious organization under PTC Sec 11.20 that would have otherwise qualified for the exemption on January 1 of the year but that did not satisfy the requirements of Subsection(c)(4) of that section on that date, the organization is eligible for the exemption for the year if the organization satisfies the requirements of Section 11.20(c)(4) before the later of:

1. June 1 of the year to which the exemption applies
2. The 60th day after the date the organization is notified of its failure to comply with those requirements.

Subsection(c)(4) requires a religious organization by charter, bylaw, or other regulation direct that on discontinuance of the organization, the assets be transferred to the State of Texas, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue code of 1954, as amended.

The same provisions apply to schools under PTC Sec 11.21 Subsection (d)(5). PTC Sec 11.42(a)

Acquisition of Property Used for Low-Income Housing After January 1

An organization that acquires property that qualifies for an exemption under PTC Section 11.181(a) or 11.182(a) may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property, and the deadline provided by PTC Sec 11.43(d) does not apply to the application for that year.

If the application is granted, the exemption for that year applies only to the portion of the year in which the property qualifies for the exemption.

PTC Sec 11.436

All Other Exemptions

Unless specifically excluded in section four (4) of this manual, the eligibility for and amount of an exemption for any tax year is determined by a claimant's qualifications on January 1. A person who does not qualify for an exemption on January 1 of any year may not receive the exemption for that year.

PTC Sec 11.42(a)

REVIEW OF EXEMPTIONS

Residence Homestead Mail Survey

Survey Conducted

Between December 1 and December 31 of any year, the Chief Appraiser may direct the Roll Department to mail a survey letter to each person who was allowed a residence homestead exemption in that year. The letter shall include the description of the property and the kind and amount of residence homestead exemptions allowed for the property according to the records.

PTC Sec 11.47(a)

Returned Survey Cards

The survey envelope shall include a direction to the post office not to forward the letter to any other address and to return it to the District if the addressee is no longer at the address to which the letter was mailed.

PTC Sec 11.47(b)

All returned survey letters are reviewed to determine the eligibility status for the applicable exemption.

PTC Sec 11.47(c)

Reminder Notices

By April 1 reminder notices are sent to those property owners for which replies to the survey have not been received. If a response still has not been received prior to submitting the appraisal records to the ARB, the homestead or disabled veteran's exemption is deleted.

If a homestead or disabled veteran's exemption is deleted, the property owner must be sent a Notice of Appraised value as outlined in section six (6) of this policy.

Exemption Revisions

Homestead Exemptions with Change in Ownership

When a change in ownership occurs, the homestead exemption is deleted for the property for the subsequent year and an application form is sent to the new property owner to determine their eligibility for the exemption.

Exemptions for Deceased Persons

The obituary columns of the newspapers and death certificates are reviewed by the AD to identify persons that have passed away who were receiving the homestead and disabled veterans' exemptions. After checking the obituary for survivors, a new application form is then mailed to the survivors with a letter of explanation requesting that the survivors reapply for the exemption if they feel they are eligible. Even if no survivors are listed, a new application form is mailed to the property address in an effort to receive directions from the estate as to the correct, current ownership.

If no response is received from the survivors, the exemption is deleted and a letter of denial is mailed.

The over 65 homestead exemption transfers to a surviving spouse that is 55 years of age or older at the time of the property owner's death if application is made.

PTC Sec 11.26(i)
& Notes

Absolute Exemptions Losing Exempt Status During Year

PTC Sec 26.10

If an absolute exemption on property terminates during the year, the property is then listed in the name of the new owner.

A notation will be made to the account reflecting the new owner and the date of acquisition, deleting the exempt status, and indicating the new property use code.

Taxes are based on the portion of the tax year for which the property is taxable.

Property Acquired by Government During the Year

If the federal, state, or a local government acquires taxable property during the year, the taxes become exempt on the date of acquisition.

The same procedures are followed for property losing exempt status during the year as outlined above.

PTC Sec 26.11

In-House Survey

Mailing Address = Physical Address Report Generated

In an effort to grant a homestead to all eligible property, in the last quarter of the year, the AD generates a report of all residential properties where the mailing address equals the physical address of the property but no homestead exemption has been granted.

Homestead Application Mailed

In January of the subsequent tax year, a homestead application is mailed to those accounts identified above.

COMPILATION OF EXEMPTION LISTS

Partial Exemption Lists

Lists Maintained

Each year the District compiles and makes available to the public a partial exemption list.

PTC Sec 11.46

Contents of List

The partial exemption list contains the following items of information for all state-mandated homestead exemptions and all local-option percentage homestead exemptions:

1. The total number of each kind of partial exemption for each taxing entity.
2. The total value that is exempted by each kind of partial exemption for each taxing entity.

PTD Rule 9.3010

Absolute Exemption Lists

Lists Maintained

Each year the District compiles and makes available to the public an absolute exemption list of property for which an exemption application is required.

PTD Rule 9.3011

Contents of List

The absolute exemption list, categorized by type of absolute exemption granted, contains the following items of information:

1. The name and address of the owner as of January 1 of the tax year.
2. The account number of the property.

FREEPORT GOODS

PTC Sec 11.251

Tax Status

Freeport Goods Defined

“Freeport Goods” as defined under Article VIII, Section 1-j, of the Texas Constitution are goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products are exempt from taxation if:

1. Acquired in or imported into this State to be forwarded outside this State, whether or not the intention to forward the property outside this State is formed or the destination to which the property is forwarded is specified when the property is acquired or imported into this State begins;
2. Detained in this State for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property;
3. Transported outside this State not later than 175 days after the date the person acquired or imported the property in this State;
4. Aircraft operated by a certificated air carrier or property used in the repair or maintenance of aircraft operated by a certificated air carrier if such aircraft or property meets the requirements of Items #1-3. Property that is affixed to an aircraft, which is operated by a certificated air carrier and transported outside this state, is considered to be transported outside this state.

Exemption Entitlement

A person is entitled to an exemption from taxation of the appraised value of that portion of the person’s inventory or property consisting of freeport goods.

Exemption Amount Determined

The appraiser shall determine the percentage of the market value of inventory or property owned by the property owner in the preceding calendar year that was contributed by freeport goods. The appraiser shall apply that percentage to the

market value of the property owner's inventory or property for the current year to determine the appraised value of the freeport goods for the current year.

If the property owner was not engaged in transporting freeport goods out of this State for the entire preceding year, the appraiser shall calculate the percentage of cost for the portion of the year in which the property owner was engaged in transporting freeport goods out of this State.

The exemption is subtracted from the market value of the inventory or property to determine the taxable value.

Application Processed

Application Required

A property owner claiming exemption of freeport goods must apply for the exemption on an annual basis using the Application for Exemption of Goods Exported from Texas (Freeport Exemption).

Action on Application

All applications for exemption of freeport goods are reviewed and action is taken as outlined previously in section four (4) of this manual.

Application Processed

Applications for Exemption of Freeport Goods are submitted to the Personal Property Department. The necessary calculations for the exemption are made by the appraiser as outlined previously and a Data Change Form is completed making the necessary revision in value.

SPECIAL PROVISIONS REGARDING OVER 65 AND DISABILITY HOMESTEAD EXEMPTION

Transfer of Over 65/Disability Tax Freeze Within _____ County

Account Number of Previous Residence Obtained

Once a homestead exemption application form is received requesting a transfer of the tax freeze, the account number of the previous address is obtained and noted on the application form.

Percentage of Tax Freeze Calculated

The percentage of tax freeze is calculated to be applied to the new property by dividing the amount of taxes with the tax freeze on the previous residence by the amount of taxes without the tax freeze. That percentage is then applied to the amount of taxes on the new residence with no exemptions to determine the freeze amount. The percentage of tax freeze is also noted on the homestead application form.

Transfer of Over 65/Disability Tax Freeze Outside of _____ County

Over 65/Disability School Tax Ceiling Certificate Completed

When a property owner receiving the school tax freeze moves from _____ County to another county, a transfer of the tax freeze must be requested. The Chief Appraiser completes the Over-65 School Tax Ceiling Certificate and submits it to the appraisal district to which the property owner is moving.

Transfer of Over 65/Disability Tax Freeze to _____ County

Over 65/Disability School Tax Ceiling Certificate Received

When a property owner receiving the school tax freeze moves from another county into _____ County, an Over-65/Disability School Tax Ceiling Certificate is received from the appraisal district the property owner is moving from.

Tax Freeze Calculated

Once a homestead exemption application form is received on the new residence, the Chief Appraiser notes the percentage of tax freeze to be applied on the homestead application form.

Recalculation of Tax Freeze Due to Combination of Lots

Property Owner Request

A property owner may request that two or more lots be combined into one account for homestead purposes. However certain criteria must be met as follows:

- All taxing entities must match
- Title must be vested the same on each account
- Active mortgages must taken into consideration
- Taxes must be current
- Parcels must adjoin with no separation

Selected Frozen Accounts Report

Prior to submission of the appraisal records to the Appraisal Review Board (early May), the Chief Appraiser runs a freeze/refreeze process/report, which recalculates, updates, and lists frozen accounts increasing or adding land into the original homestead parcel.

Recalculation of Tax Freeze Due to Addition to Property

Report Generated

Prior to submission of the appraisal records to the Appraisal Review Board (early May), the Chief Appraiser runs a freeze/refreeze process/report, which recalculates, updates, and lists frozen accounts which have added 'new' value to the original homestead parcel.