

Black and Latino Heirs' Property and Access to Property Tax Relief in Texas

Webinar

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Website: law.utexas.edu/clinics/ecdc/publications/#proptaxes

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Summer 2020



The University of Texas at Austin

Entrepreneurship and Community
Development Clinic

School of Law

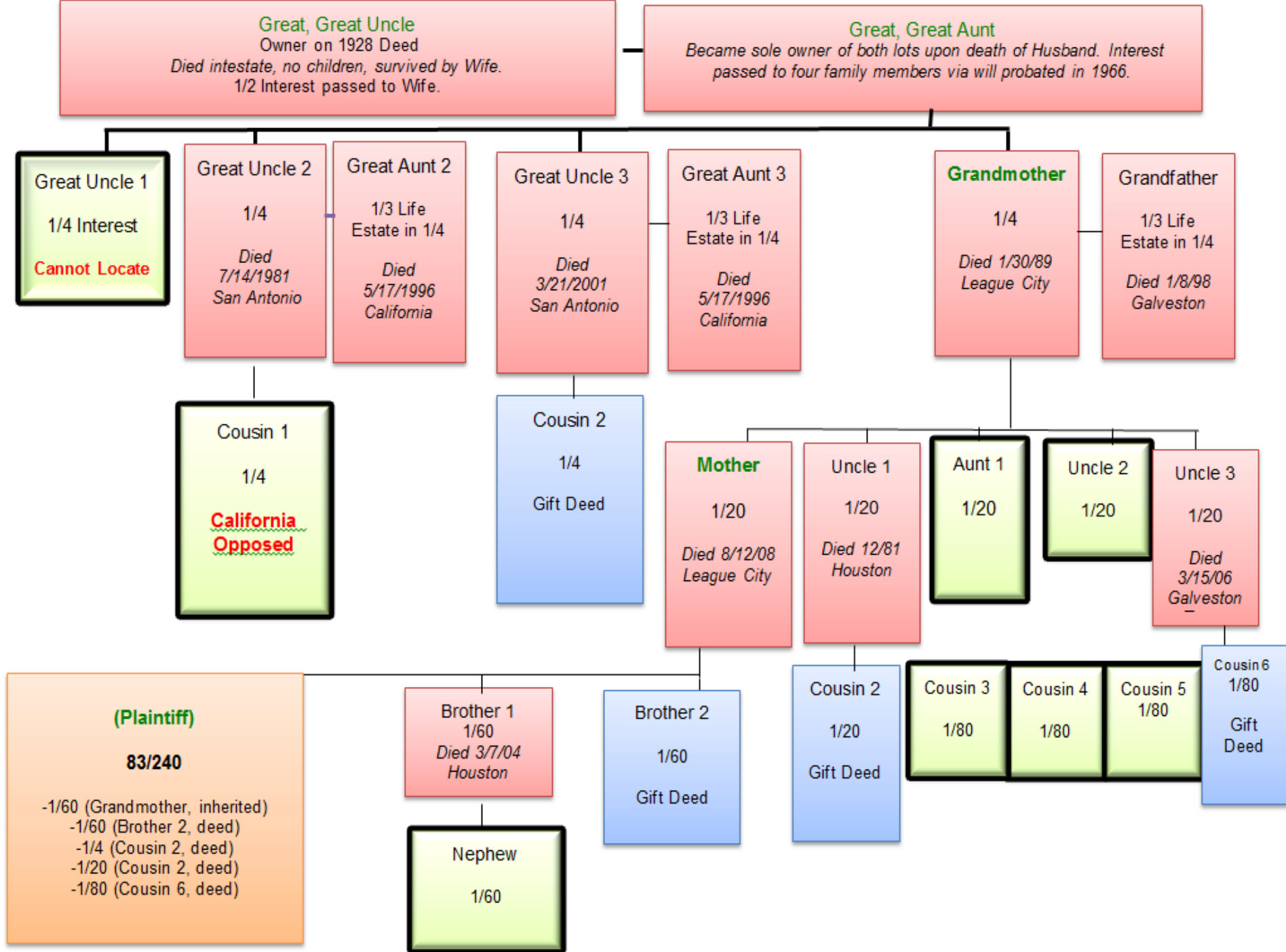
Outline:

- Part 1: Background: Heir property and impacts
- Part 2: Homestead exemption programs and barriers for heir property homeowners
- Part 3: Senate Bill 1943
- Part 4: On-going problems and actions needed



Part One: Heir Property Overview





Intestacy



A homeowner dies without a will or transfer on death deed.



Legal title to the home passes automatically to the homeowner's children or other relatives under the laws of "intestate succession."



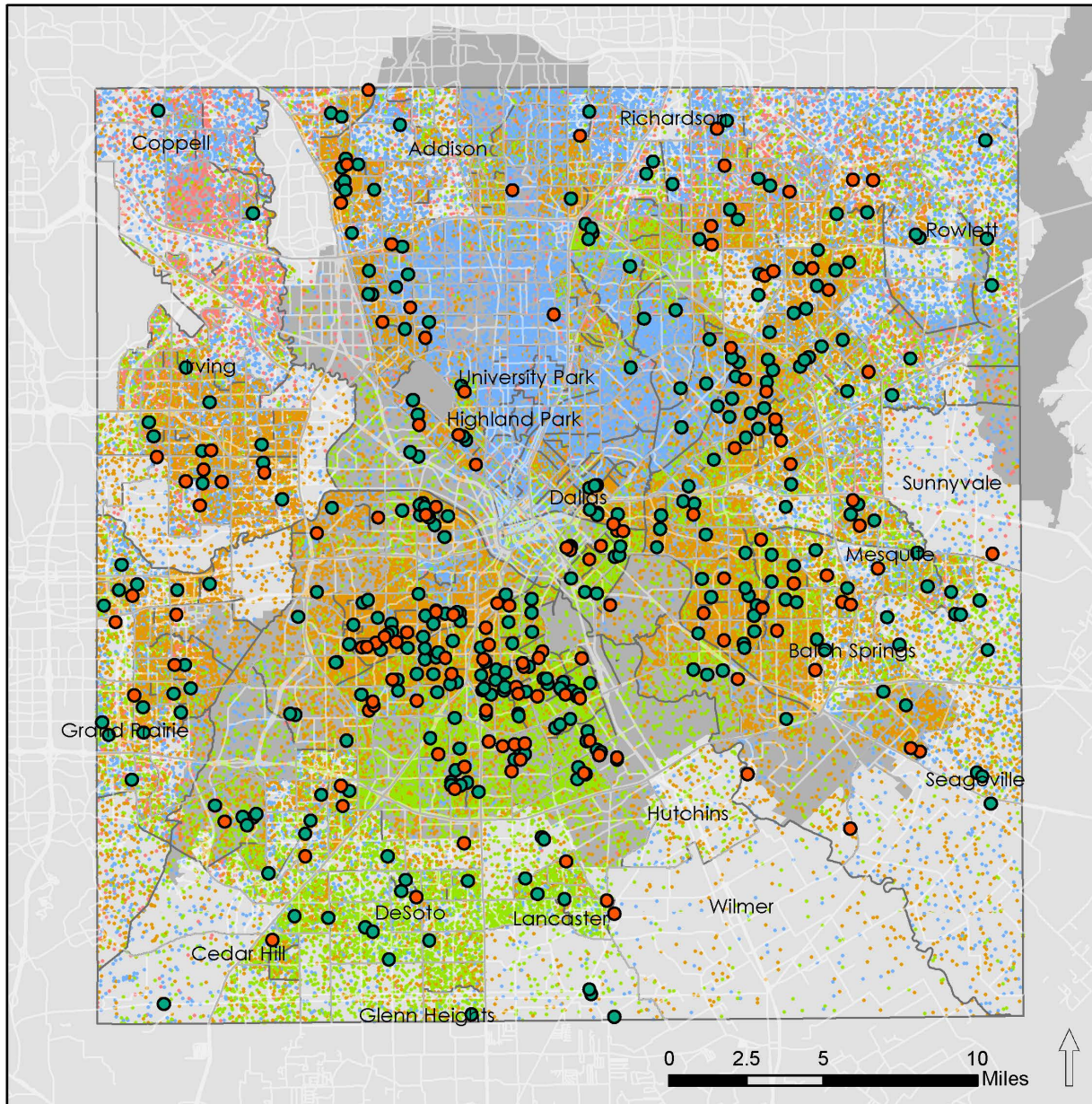
No legal paper trail.

Persons 55 and older without a will





Dallas County: Heir Property Homes, 2019



Population by Race/Ethnicity

1 dot = 25 persons

- White
- Black
- Hispanic/Latino
- Asian/Pacific Islander

● "Estate Of" with no Homestead Exemption*

● "Estate Of" with partial or full Homestead Exemption*

*Multiple co-owners listed on tax rolls; tax bill sent to the homestead

Estate-Owned Single-Family Residential Properties in Harris County (2020)

Population by Race/Ethnicity

1 Dot = 50

- Hispanic/Latino
- White
- Black
- Native American
- Asian

Estate-Owned Single-Family Residential Properties With a Homestead Exemption

1 Dot = 3

Estate-Owned Single-Family Residential Properties Without a Homestead Exemption

1 Dot = 3

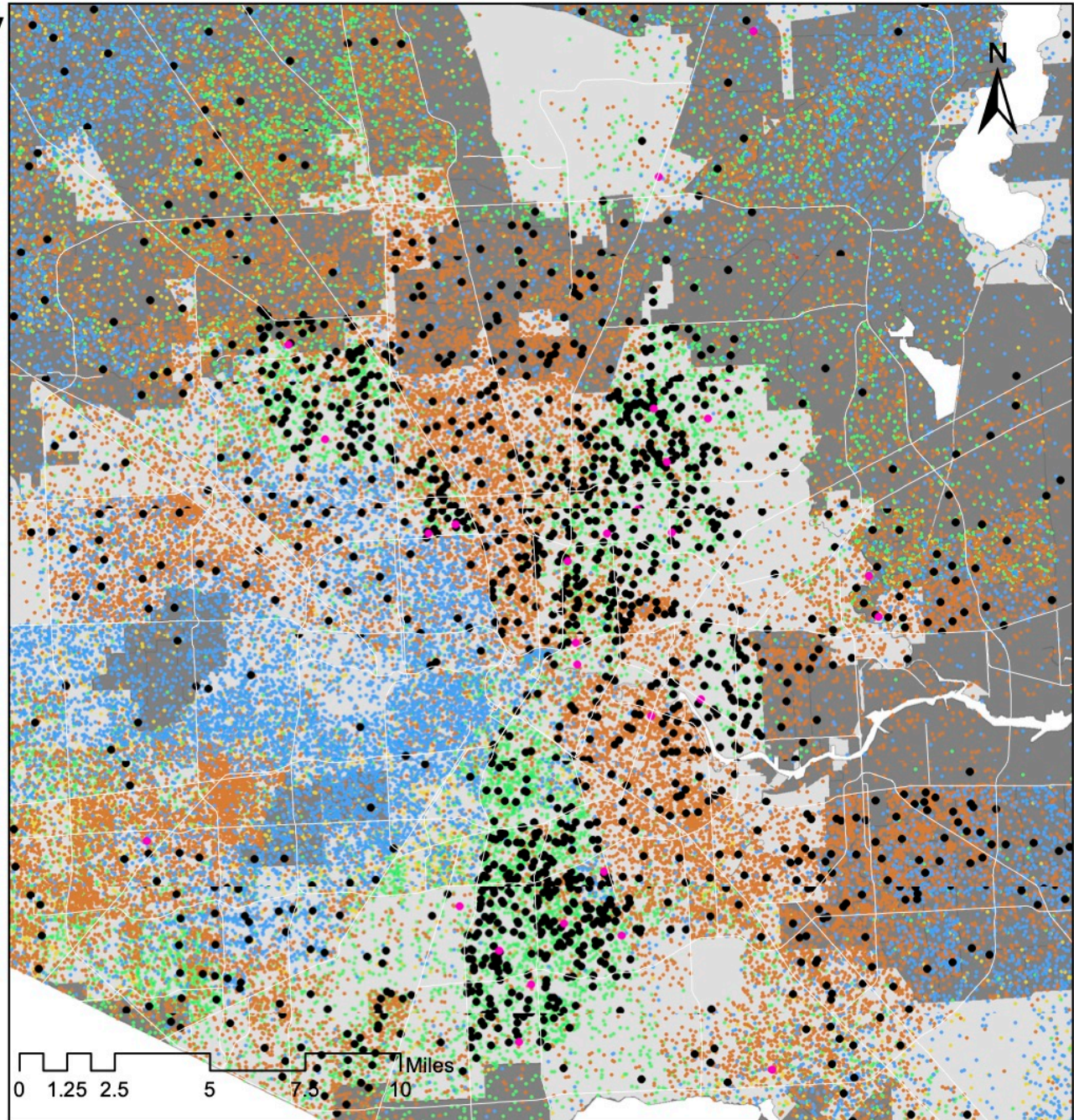
City of Houston

Harris County

Source: ESRI 2020 Popular Demographics, Harris County Appraisal District 2020 Appraisal Records



TEXAS HOUSERS
TEXAS LOW INCOME HOUSING
INFORMATION SERVICE



Kicked Off the Land
--The New Yorker, July 22, 2019

In the Cross-Heirs
--ABA Journal, February 2021

**Black Lands Matter: The Movement to
Transform Heirs' Property Laws**
--The Nation, September 25, 2019

This Land Was Our Land
--The Atlantic, September 2019

**Black Americans Lose Big Under
Longtime Property Provision**
--NPR, July 20, 2019

Impacts of Heir Property

- Risk of a partition action
- Difficult or impossible to sell your home
- Disqualification from home repair and disaster recovery programs
- Limited access to the homestead tax exemption



Part Two: The Homestead Exemption and Barriers for Heir Property Owners



Homestead exemption benefits

General homestead exemption

- Reductions off the taxable value
- 10% annual cap on increases in the assessed value
- Installment payment agreements for late taxes w/o penalties

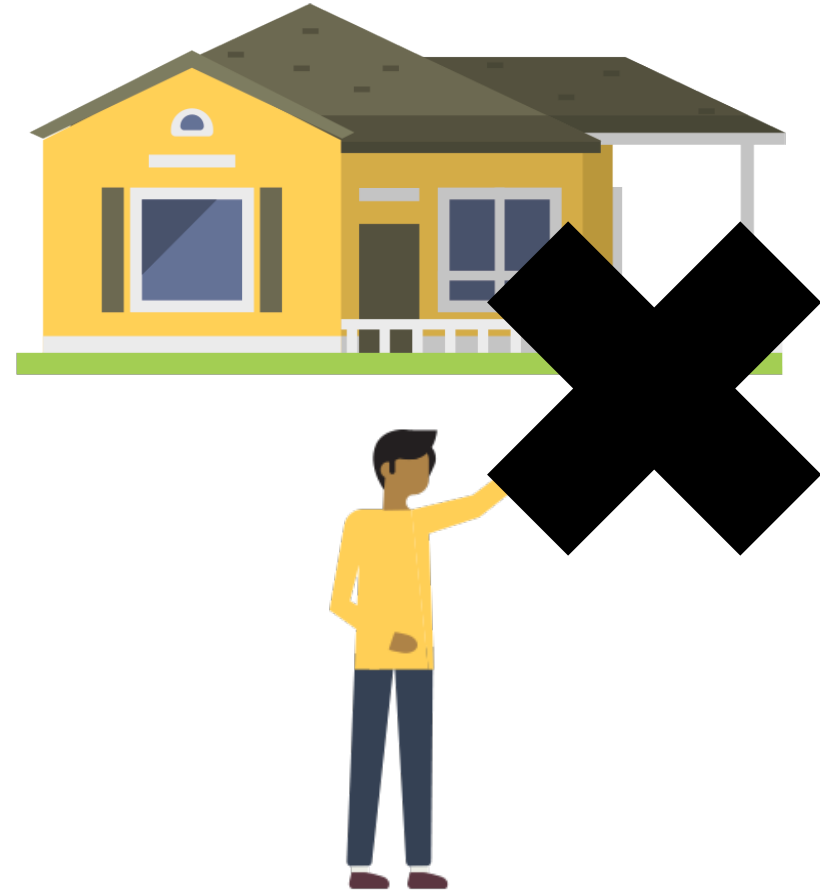
Senior and disability exemption

- Additional reductions off the taxable value
- Cap on school taxes (+many cities and counties have a cap)
- Four installments w/o penalties or interest
- Tax deferral

Background: Barriers Faced by Heir Property Owners

Prior to Senate Bill 1943:

- 1 Proof of ownership requirements for heir property owners were unclear and too stringent.
- 2 Heirs were unable to access the full homestead exemption when the residence was co-owned.



Property Tax Impact on Heir Property Homeowners

Heir property home in Cedar Crest Area, Dallas
2020 Appraised Value: \$114,660
15% Co-Ownership Interest

2020 Taxes with partial (15%)
senior homestead exemption:

\$2,117

2020 Taxes with full senior
homestead exemption:

\$11

Four years back taxes
owed: **\$7,882**

Part Three: Senate Bill 1943

Senate Bill 1943



**Clear and accessible
application requirements**



Heir property owners
receive **100% of the
homestead exemption**

Residence Homestead Exemption Application

Form 50-114

Appraisal District's Name _____ Appraisal District Account Number (if known) _____

Do you own and live in the property for which you are seeking this residence homestead exemption? Yes No Tax Year _____

GENERAL INFORMATION: Property owners applying for a residence homestead exemption file this form and supporting documentation with the appraisal district in each county in which the property is located (Tax Code Sections 11.13, 11.131, 11.132, 11.133, 11.134 and 11.432). **Do not file this form with the Texas Comptroller of Public Accounts.**

SECTION 1: Exemption(s) Requested (Select all that apply.)

- General Residence Homestead Exemption** **Disabled Person** **Person Age 65 or Older (or Surviving Spouse)**
- 100 Percent Disabled Veteran (or Surviving Spouse)** Is the disability a permanent total disability as determined by the U.S. Department of Veterans Affairs under 38 C.F.R. Section 4.15? Yes No
- Surviving Spouse of an Armed Services Member Killed in Action** **Surviving Spouse of a First Responder Killed in the Line of Duty**
- Donated Residence of Partially Disabled Veteran (or Surviving Spouse)** _____ Percent Disability Rating _____

Surviving Spouse: _____ Name of Deceased Spouse _____ Date of Death _____

- Cooperative Housing:** Do you have an exclusive right to occupy this property because you own stock in a cooperative housing corporation? Yes No
If yes, state name of cooperative housing corporation: _____
- Were you receiving a homestead exemption on your previous residence? Yes No
- Are you transferring an exemption from a previous residence? Yes No
- Are you transferring a tax limitation? Yes No

Previous Residence Address, City, State, Zip Code _____ Previous County _____

SECTION 2: Property Owner/Applicant (Provide information for additional property owners in Section 5.)

Select One: Single Adult Married Couple Other (e.g., individual who owns the property with others)

Name of Property Owner 1 _____	Birth Date* (mm/dd/yyyy) _____	Driver's License, Personal ID Certificate or Social Security Number** _____
Primary Phone Number (area code and number) _____	Email Address*** _____	Percent Ownership Interest _____
Name of Property Owner 2 (e.g., Spouse, Co-Owner/Individual) _____	Birth Date* (mm/dd/yyyy) _____	Driver's License, Personal ID Certificate or Social Security Number** _____
Primary Phone Number (area code and number) _____	Email Address*** _____	Percent Ownership Interest _____

Applicant mailing address (if different from the physical address) _____

SECTION 3: Property Information

Date you acquired this property _____ Date you began occupying this property as your principal residence _____

Physical Address (i.e. street address, not P.O. Box), City, County, ZIP Code _____

Legal Description (if known) _____

- Is the applicant identified on deed or other recorded instrument? Yes _____ Court record/filing number on recorded deed or other recorded instrument _____
 No If no, required documentation must be provided. (see important information)
- Is the property for which this application is submitted an heir property (see Important Information)? Yes No
- Do other heir property owners occupy the property? Yes (affidavits required) No

Residence Homestead Exemption Affidavits

Form 50-114-A

Appraisal District's Name _____ Appraisal District Account Number (if known) _____

GENERAL INSTRUCTIONS: This affidavit is for use when claiming residence homestead exemptions pursuant to Tax Code Sections 11.13, 11.131, 11.132, 11.133, 11.134 and 11.432.

FILING INSTRUCTIONS: Attach the completed and notarized affidavit to your *Residence Homestead Exemption Application* for filing with the appraisal district office in each county in which the property is located generally between Jan. 1 and April 30 of the year for which the exemption is requested. **Do not file this document with the Texas Comptroller of Public Accounts.** A directory with contact information for appraisal district offices is on the Comptroller's website.

AFFIDAVIT FOR OWNER/APPLICANT WHO IS AGE 65 OR OLDER AND OWNERSHIP INTEREST NOT OF RECORD

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

"My name is _____ and I am applying for a residence homestead exemption for property owners who are age 65 or older. I am 65 years of age or older; I am fully competent to make this affidavit; I have personal knowledge of the facts in this affidavit; and all of the facts in it are true and correct. I am an owner of the property identified in this application although I am not identified as an owner on a deed or other appropriate instrument recorded in the real property records of the county where my residence homestead is located.

Percent Ownership Interest: _____
Further, Affiant sayeth not." **SUBSCRIBED AND SWORN TO** before me this, the _____ day of _____, _____

Signature of Affiant _____
Notary Public in and for the State of Texas
My Commission expires: _____

AFFIDAVIT FOR OWNER/APPLICANT WHO HAS QUALIFYING DISABILITY AND OWNERSHIP INTEREST NOT OF RECORD

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

"My name is _____ and I am applying for a residence homestead exemption for property owners with qualifying disabilities. I am over 18 years of age; I am fully competent to make this affidavit; I have personal knowledge of the facts in this affidavit; and all of the facts in it are true and correct. I am an owner of the property identified in this application although I am not identified as an owner on a deed or other appropriate instrument recorded in the real property records of the county where my residence homestead is located.

Percent Ownership Interest: _____
Further, Affiant sayeth not." **SUBSCRIBED AND SWORN TO** before me this, the _____ day of _____, _____

Signature of Affiant _____
Notary Public in and for the State of Texas
My Commission expires: _____

AFFIDAVIT FOR OWNER/APPLICANT WITHOUT WRITTEN OWNERSHIP DOCUMENT FOR MANUFACTURED HOME

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

"My name is _____ and I am applying for a residence homestead exemption as an owner of a manufactured home. I am over 18 years of age; I am fully competent to make this affidavit; I have personal knowledge of the facts in this affidavit; and all of the facts in it are true and correct. I am the owner of the manufactured home identified in this application. The seller of the manufactured home did not provide me with the applicable contract or agreement and I could not locate the seller after making a good faith effort.

Further, Affiant sayeth not." **SUBSCRIBED AND SWORN TO** before me this, the _____ day of _____, _____

Signature of Affiant _____
Notary Public in and for the State of Texas
My Commission expires: _____

Designation of property as heir property

Question included on Comptroller Form 50-114

SECTION 3: Property Information

Date you acquired this property _____ Date you began occupying this property as your principal residence _____

Physical Address (i.e. street address, not P.O. Box), City, County, ZIP Code _____

Legal Description (if known) _____

Is the application identified on deed or other recorded instrument?

Yes _____
Start record/filing number on recorded deed or other recorded instrument _____

No _____ if no, required documentation must be provided. (see important information)

Is the property for which this application is submitted an heir property (see Important Information)? Yes No

Do other heir property owners occupy the property? Yes (affidavits required) No

Senate Bill 1943



Heir property

residence homestead =
primary residence

and

acquired by will, transfer on death
deed, or intestacy, regardless of
whether their ownership interest is
recorded in the county's real property
records.

Heir property: Homestead Exemption Application

Information required for proof of ownership when no legal documentation in county deed records:

- an affidavit establishing the applicant's ownership of interest in the property (see Form 50-114-A);
- a copy of the prior property owner's death certificate;
- a copy of the property's most recent utility bill; and
- a citation of any court record relating to the applicant's ownership of the property (such as a probated will), if available.

The homeowner must also provide the documentation required for all applications (e.g., driver's license or state-issued i.d. that matches the property address)

Simplified affidavit requirement for heir property

Affidavit included on Comptroller's Form 50-114-A

AFFIDAVIT FOR APPLICANT CLAIMING AN OWNERSHIP INTEREST OF PROPERTY, INCLUDING HEIR PROPERTY
For Purpose of Residence Homestead Exemption Application Only

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

"My name is _____ and I am applying for a residence homestead exemption. I am over 18 years of age; I am fully competent to make this affidavit; I have personal knowledge of the facts in this affidavit; and all of the facts in it are true and correct. I am an owner of the real property identified in this application. I acquired the ownership of the real property identified on this application by will, transfer on death deed or intestacy; and I am not identified as an owner on a deed or other appropriate instrument recorded in the real property records of the county where the property identified in this application is located.

Further, Affiant sayeth not."

Signature of Affiant

SUBSCRIBED AND SWORN TO before me this, the

_____ day of _____, _____

Notary Public in and for the State of Texas

My Commission expires: _____

Removal of application barriers



deed



affidavit of heirship
recorded in the real
property records

Appraisal districts can no longer require these documents for heir property

Additional affidavit requirement if more than one heir occupies the property as their primary residence:

Also included on Comptroller’s Form 50-114-A

AFFIDAVIT FOR OWNER OTHER THAN THE APPLICANT THAT OCCUPIES HEIR PROPERTY AS PRINCIPAL RESIDENCE
For Purpose of Residence Homestead Exemption Application Only

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

“My name is _____. I am over 18 years of age; I am fully competent to make this affidavit. I have personal knowledge of the facts in this affidavit; and all of the facts in it are true and correct. I am an owner of the real property identified in the application of _____ and I occupy the property as my principal residence; I authorize _____ to submit the residence homestead exemption application.

Further, Affiant sayeth not.”

Signature of Affiant

SUBSCRIBED AND SWORN TO before me this, the _____ day of _____, _____

Notary Public in and for the State of Texas

My Commission expires: _____

Recap of homestead exemption application requirements for heir property owners:

- Heir property designation on application
- Affidavit establishing the applicant's ownership of interest in the property → included in Comptroller Form 50-114-A
 - Appraisal district cannot require copy of a recorded affidavit of heirship or deed
- Extra affidavit if more than one heir occupies the property as their primary residence → included in Comptroller Form 50-114-A
- Additional documents:
 - prior property owner's death certificate;
 - property's most recent utility bill;
 - citation of any court record relating to the applicant's ownership of the property (such as a probated will), but only if available.
- Documentation required for all applications (e.g., driver's license or state-issued i.d. with matching property address)



Part Four: On-going problems and actions needed

On-going barriers:

- Lack of awareness about need to file an updated exemption application to qualify for 100% exemption.
- Application process can be daunting.
- Appraisal districts giving our incorrect information or requiring recorded title.

Estate-Owned Properties with and without a Homestead Exemption in Tarrant County*

Legend

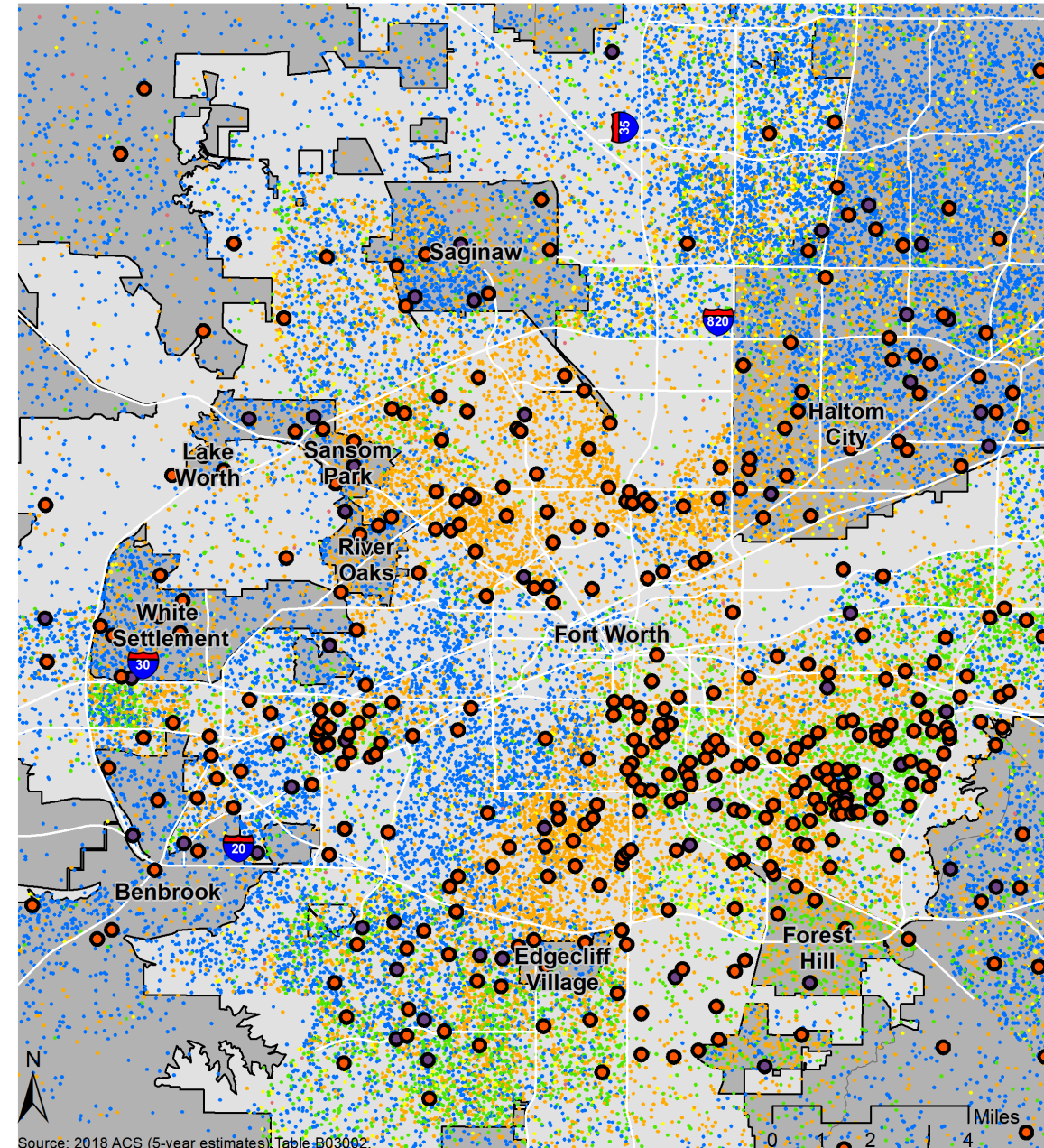
Location of Estate-Owned Properties

- 1 Dot = 3
- Estate-Owned Property without a Homestead Exemption
- 1 Dot = 3
- Estate-Owned Property with Homestead Exemption

Population by Race/Ethnicity

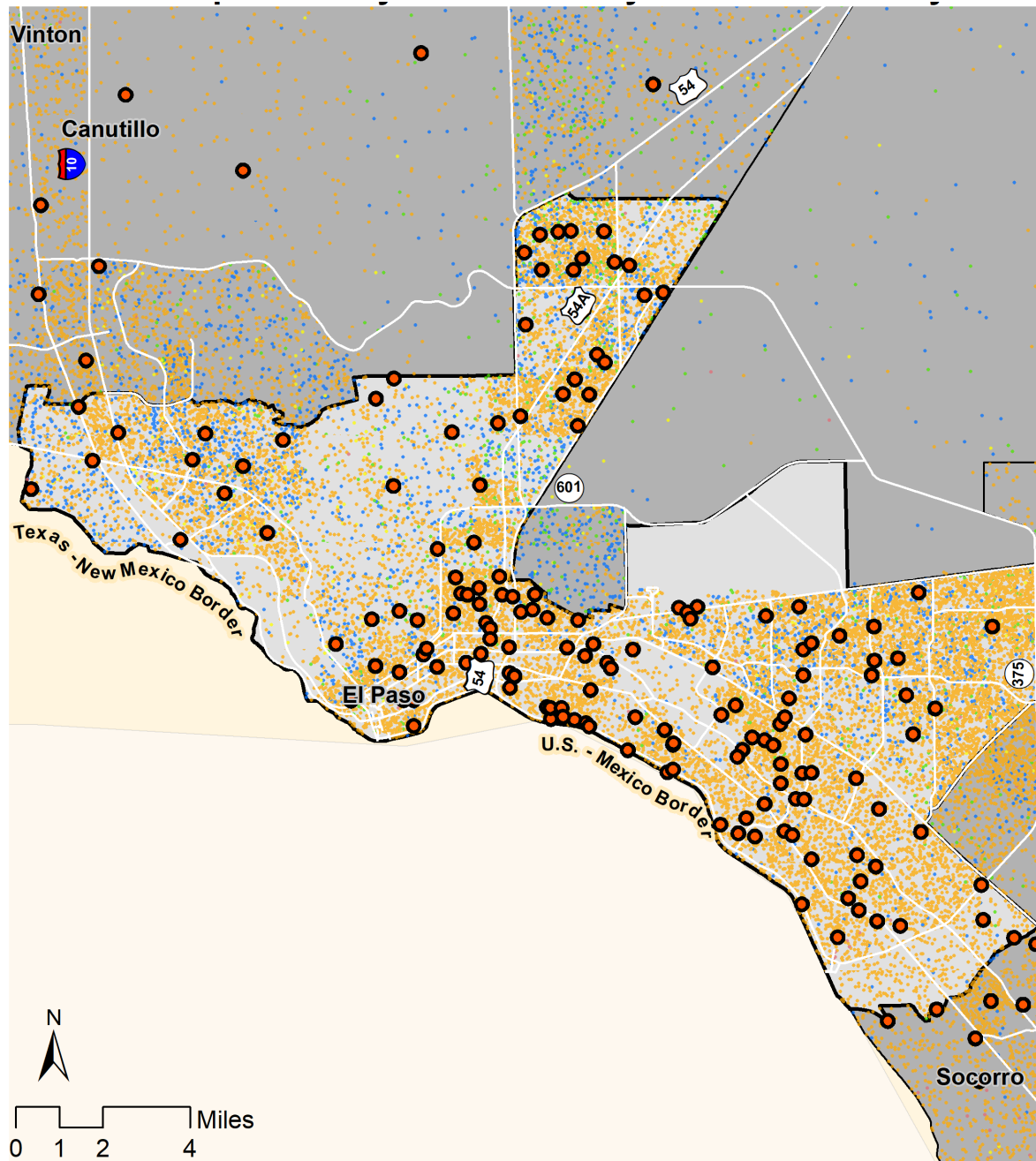
- 1 Dot = 25
- White
- Hispanic/Latino
- Black
- Native American
- Asian

*Tax bill sent to property



Source: 2018 ACS (5-year estimates) Table B03002

Heir Properties without a Homestead Exemption in El Paso County*



Legend

Heir Property Locations

- 1 Dot = 3
- Heir Property without a Homestead Exemption

Population by Race/Ethnicity

- 1 Dot = 25
- White
- Hispanic/Latino
- Black
- Native American
- Asian

*Tax bill sent to property

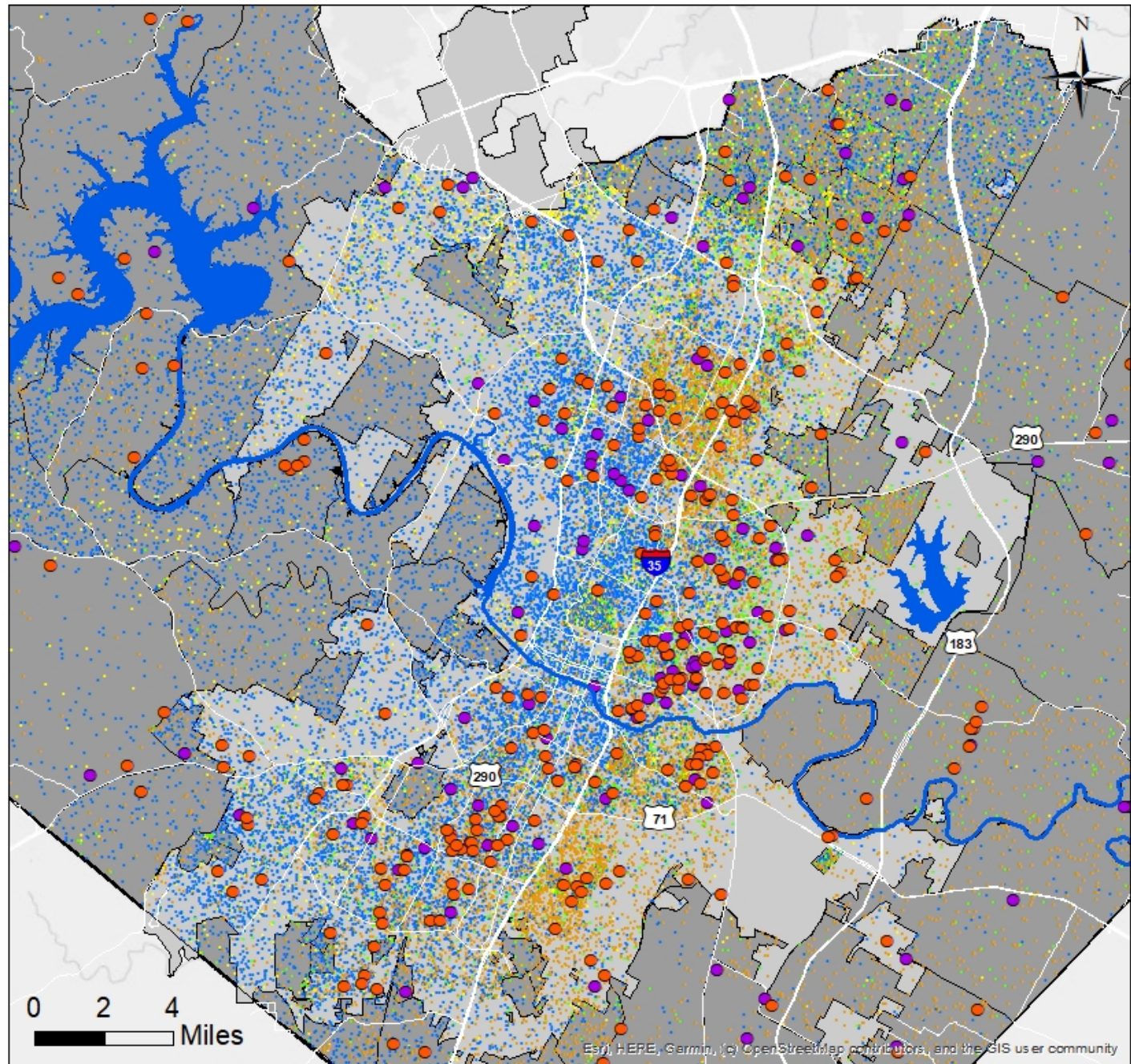
Likely Heir Property Homeowners with Partial or No Access to the Homestead Exemption in Austin, Texas (2021)

Race/Ethnicity

- 1 Dot = 25
- Hispanic/Latino
- White
- Black
- Native American
- Asian

- Likely owner occupied heir property with no homestead exemption
- Likely heir property with a partial homestead exemption
- City of Austin Boundary
- Travis County

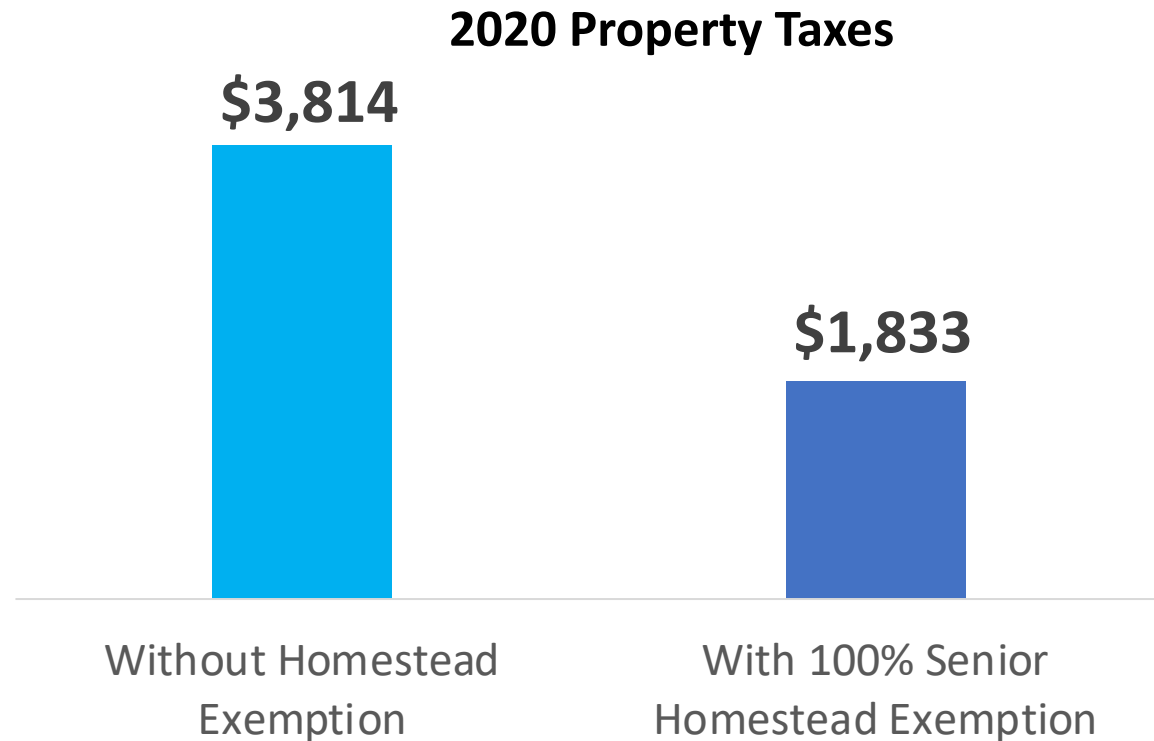
Source: ACS 5-Yr Data (2014-18),
Travis County Appraisal District (2021)



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Property Tax Impacts on Heir Property Homeowners

Heir property home in Montopolis neighborhood, Austin
2020 appraised value: \$171,303



Property Tax Impacts on Heir Property Homeowners

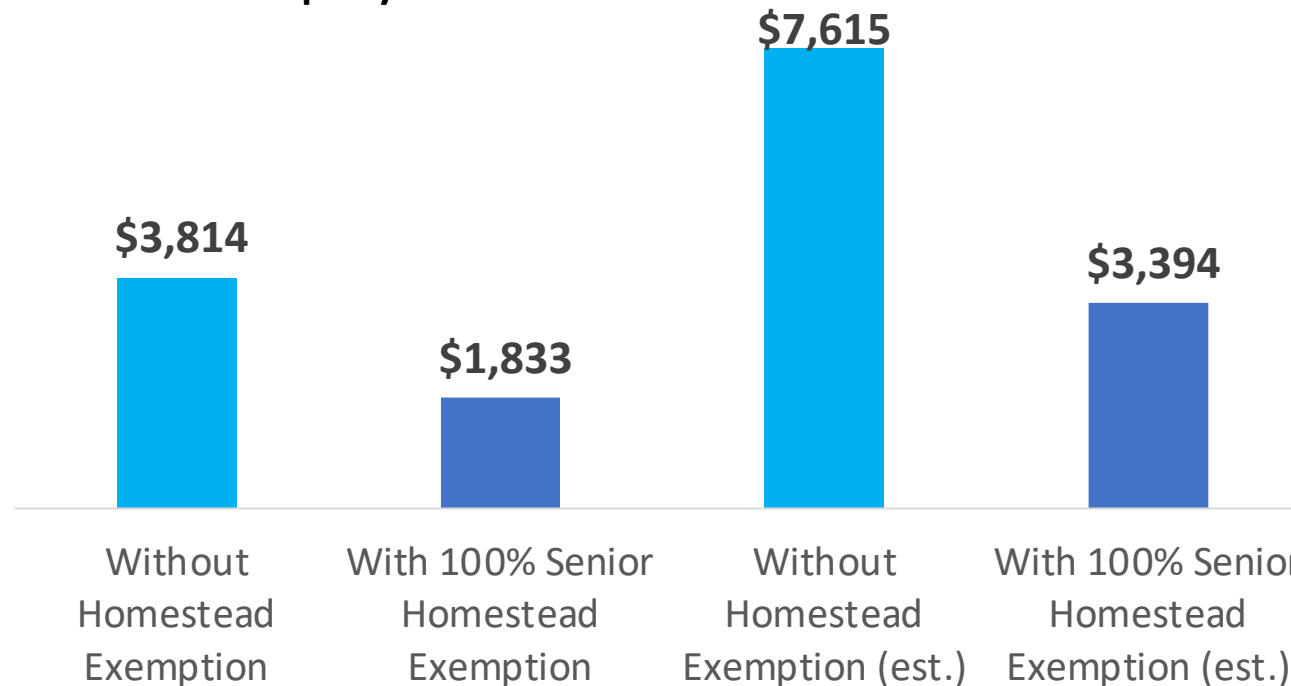
Heir property home in Montopolis neighborhood, Austin

2020 appraised value: \$171,303

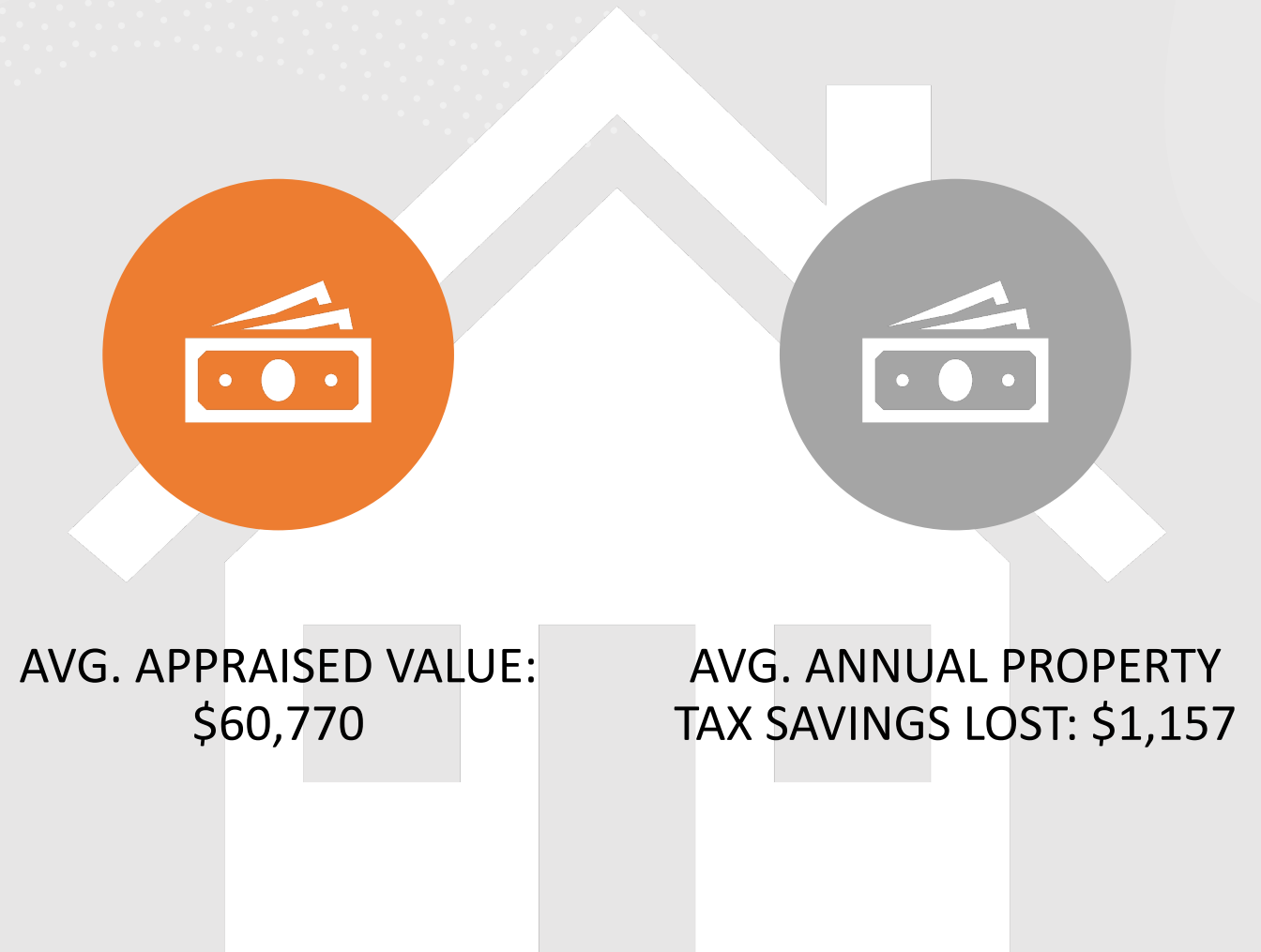
2026 appraised value: \$342,000

2020 Property Taxes

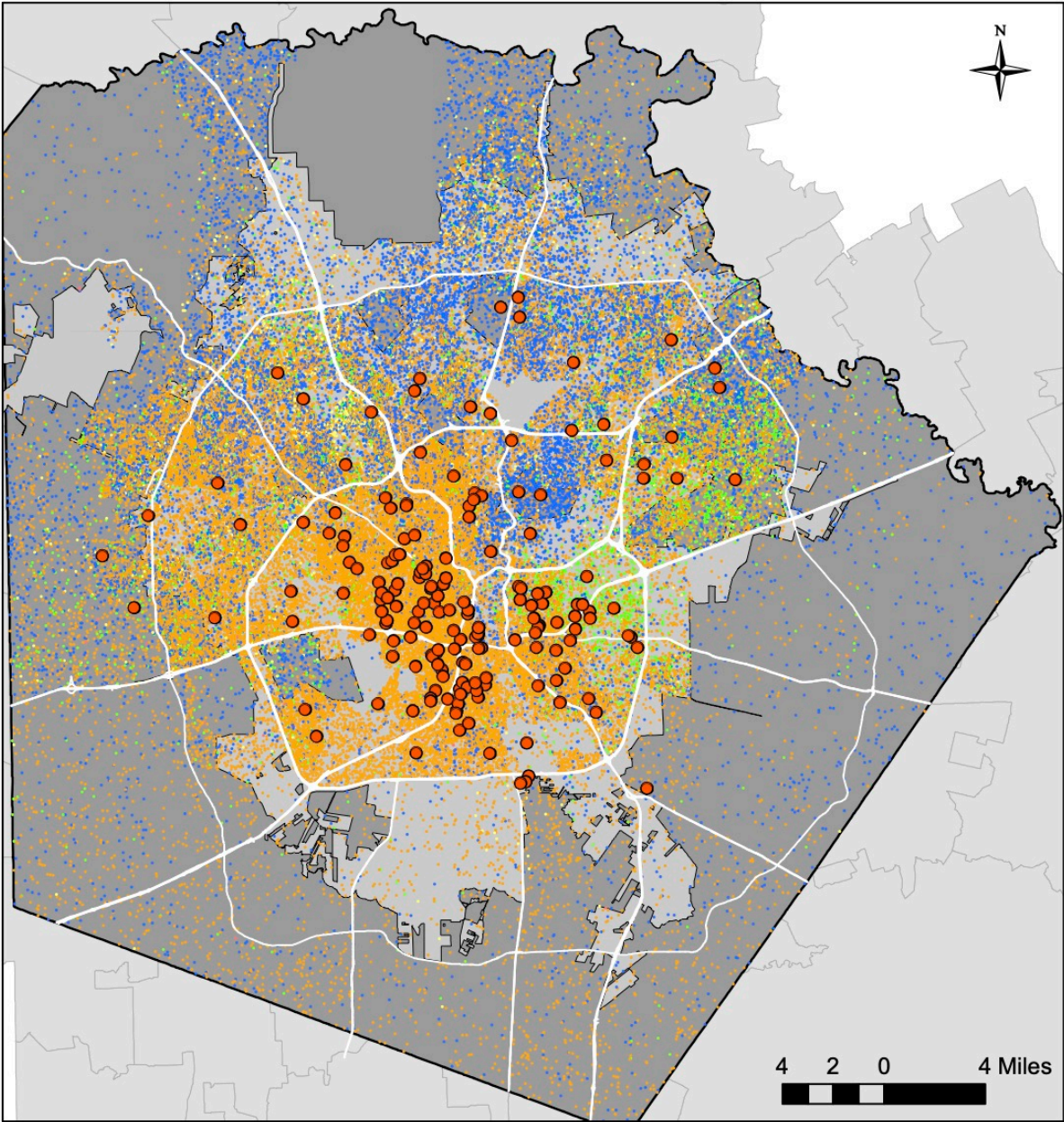
2026 Property Taxes



Heir Property Homeowners 65+ with Partial Homestead Exemption in Bexar County (San Antonio)



Heir Properties with Partial Homestead Exemption in Bexar County (2020)



Race/Ethnicity

1 Dot = 25

- Hispanic/Latino
- White
- Black
- Native American
- Asian

- Partial Owner Properties
- City of SA Boundary
- Bexar County



Property Tax Impacts on Heir Property Homeowners

Heir property home in the Tobin Hill neighborhood, San Antonio
22% homestead exemption
2020 appraised value: \$150,580

Property tax bill w/22% senior exemption (actual 2020):

\$3,450



Property tax bill w/100% senior exemption (2020):

\$704

2026: \$300,000 appraisal

Property tax bill w/22% senior exemption:

\$6775 (est)



Property tax bill w/100% senior exemption:

\$1,118 (est)

Suggested Actions:

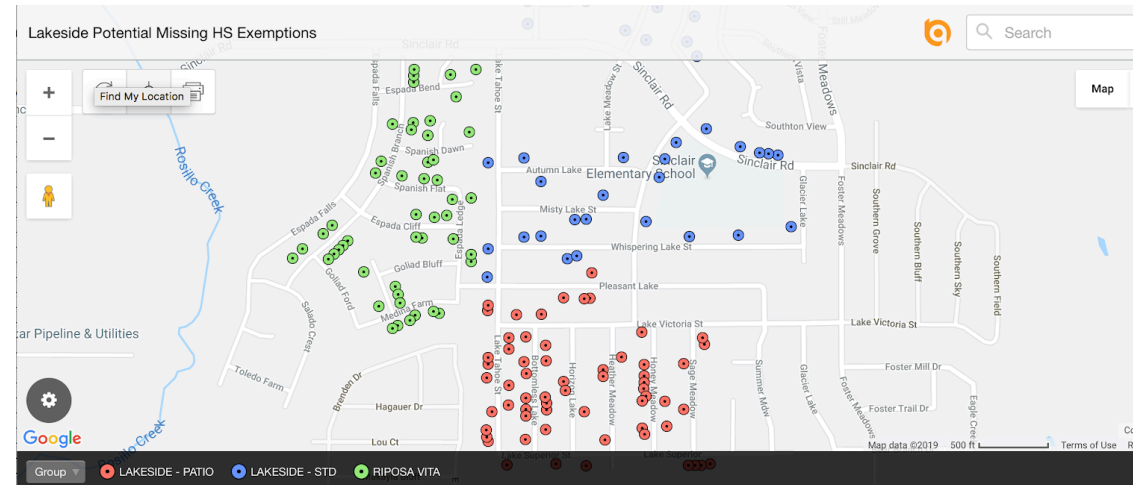
1. Targeted community outreach
2. Pro bono legal clinics
3. Engage with local appraisal district



Targeted community outreach

ex) HECHO: San Antonio

1. Map out all homeowners without a homestead exemption or w/a partial exemption
2. Train community members
3. Each doorknocker speaks to residents and provides exemption paperwork, resources, and basic assistance.
4. Link residents to other types of assistance (ex. title issues, tax protest, etc.)



Address	City	State	Zipcode	Name	Zoning	Group	
5951 PLEASANT LK	SAN ANTONIO	TX	78222	WARREN STANLEY A JR	R-5	LAKESIDE - PATIO	http://www.
3506 LAKE TAHOE ST	SAN ANTONIO	TX	78222	WOLFE FAMILY TRUST	R-4	LAKESIDE - PATIO	http://www.
3514 LAKE TAHOE ST	SAN ANTONIO	TX	78222	REYES GEO L & NATHAN R	R-4	LAKESIDE - PATIO	http://www.
3538 LAKE TAHOE ST	SAN ANTONIO	TX	78222	ROBINSON JOHN L SR & ETHEL	R-4	LAKESIDE - PATIO	http://www.
3550 LAKE TAHOE ST	SAN ANTONIO	TX	78222	OLIVARES SARAH LEE	R-4	LAKESIDE - PATIO	http://www.

Lessons Learned from HECHO:

- MANY homeowners are not aware of or misunderstand the homestead exemption
- Importance of reaching out through existing networks (e.g., churches, neighborhood associations, community groups)
- Connecting to organizations that can help with clouded title, estate planning, etc.
- Other homeowner education and resources are often necessary
- Need to follow up with homeowners



Pro Bono Legal Clinics



Assist with homestead exemption and heir property designation



Assist with protesting property taxes



Assist with estate planning, such as TODDs, Wills, Affidavits of Heirship

Appraisal District Engagement:

1. Partner in community outreach
2. Make sure they are following the law
3. Make sure their exemption forms are accessible and compliant





The University of Texas at Austin

Entrepreneurship and Community
Development Clinic

School of Law

Email: ecdc@law.utexas.edu

Website: <https://law.utexas.edu/clinics/ecdc/publications>