

HOMESTEAD EXEMPTIONS



MAY LOWER YOUR HOME'S PROPERTY TAXES

THE TEXAS HOMESTEAD

In Texas, the *homestead* is the place of residence for a family or a single person, secure from forced sale by general creditors. The Texas Constitution gives each spouse, or single person, a possessory right in the homestead, which is lost only by death or abandonment, and cannot be compromised by waiver or voluntary act of the homestead owner. The term *exemption*, as used in the state Constitution, stems from the concept that the homestead is exempt from forced sale by a homestead claimant's general creditors. The homestead cannot ever be mortgaged unless the mortgage is for one of the following SEVEN purposes:

1. To obtain money to finance the purchase of the homestead;
2. To obtain money to pay taxes due on the homestead;
3. To obtain money to improve the homestead (home improvement loan);
4. To obtain money to finance the purchase by one co-owner of another co-owner's interest in the homestead, by either agreement or court order (such as in a divorce decree);
5. To obtain money to pay off a federal tax lien;
6. To obtain money from a home equity loan; or
7. To obtain money from a reverse mortgage.

Article 16. Section 50 of the Texas Constitution sets forth the protection provided to the homestead owner. Simply stated, a homeowner is protected from forced sale by his general creditors except for:

- (1) the purchase money mortgage on the homestead;
- (2) taxes due on the homestead;
- (3) liens for work and materials used in improving the homestead *provided*
 - a. the contract to do the work was in writing and
 - b. signed by both husband and wife *prior to the commencement of work.*
 - c. filed for record in the county of the homestead

(Unfortunately, many home improvement loan situations do not follow the requirements specified in (3)a, b & c above, resulting in the loss of financing ability)

- (4) a loan to buy out a co-owner's (or ex-spouse's) interest in the homestead as part of a divorce decree or partition arrangement
- (5) a loan to pay off and release federal tax lien filed for the tax debt of BOTH spouses (or taxes owed by the homestead owner if single)
- (6) a home equity loan made pursuant to the requirements of the Texas Constitution
- (7) a reverse mortgage made pursuant to the requirements of the Texas Constitution

In order to prevent the legislative branch of the government from casually changing the homestead exemption, the exemption was incorporated into the State Constitution in 1845. Now only constitutional amendments may change the substance of the exemption.



The term "homestead exemption" also has another meaning with respect to local property taxes. Most taxing authorities permit a homeowner to file an application with their local appraisal district to "exempt" a portion of value from taxation for local property taxes. This can result in savings of as much as 20% of the annual tax bill. While the requirements to obtain this tax exemption are basically the same standards used to determine homestead status under the Texas Constitution, these are still two distinct and separate concepts and one does not necessarily determine the other. That is, just because you have a property named as your homestead on the tax rolls, for tax exemption purposes, does not *necessarily* mean that the property would constitute your homestead under the Texas Constitution for protection from creditors. Tax homestead breaks are largely a matter of affidavits and filing procedures; Constitutional homestead protection is premised more on intent than anything else.

HOMESTEAD FILING EXEMPTION INSTRUCTIONS

Please Note:

Homeowners automatically receive an exemption form from the Appraisal District. However, you are encouraged to contact the appropriate Appraisal District for information or to request an exemption form.

Deadline for filing is April 30.

Collin County Appraisal District:
(469) 742-9200

Dallas Central Appraisal District:
(214) 631-0910

Denton County Appraisal District:
(940) 349-3800

Ellis County Appraisal District:
(972) 937-3552

***Grayson County Appraisal
District:***
(903) 892-8297

***Henderson County Appraisal
District:***
(903) 675-9296

Hood County Appraisal District:
(817) 573-2471

Hunt County Appraisal District:
(903) 454-3510

***Johnson County Appraisal
District:***
(817) 645-3986

***Kaufman County Appraisal
District:***
(972) 932-6081

***Palo Pinto County Appraisal
District:***
(940) 659-1281

Parker County Appraisal District:
(817) 596-0077

***Rockwall County Appraisal
District:***
(972) 771-2034

Tarrant County Appraisal District:
(817) 284-0024

Wise County Appraisal District:
(940) 627-3081



EXPLANATIONS OF EXEMPTIONS

GENERAL RESIDENTIAL HOMESTEAD EXEMPTION

1. To qualify for this exemption, you must own and reside in your home on January 1 of the tax year.
2. If you temporarily move away from your home, you still can qualify for this exemption, if you do not establish another principal residence and you intend to return.
3. **YOU MAY RECEIVE ONLY ONE HOMESTEAD EXEMPTION.**

FOR MOBILE HOMES

Attach a copy of the document of title from the Texas Department of Housing and Community Affairs (1-800-500-7074), if home is 8' X 40' or larger and document has not been cancelled, or provide a notarized copy of the purchase contract that shows you as the owner. NOTE: Document must list Mobile Home Identification Number.

OVER-65 EXEMPTION

1. To qualify for this exemption, you must be at least age 65. This exemption includes a school tax limitation, or ceiling.
2. You must submit proof of age. Acceptable proof includes either a copy of the front side of your driver's license or a copy of your birth certificate.
3. You must apply before the first anniversary of your qualification date to receive the over-65 exemption in that tax year. For example, if you turn 65 on June 1 of the current year, you have until May 31 of the next year to apply for the current tax year's Over-65 Exemption. This special provision only applies to the Over-65 exemption and not to other exemptions for which you may qualify.
4. If you qualified for an Over-65 exemption at a previous address and have moved since January 1, you will qualify for a transfer of your prior tax ceiling. Please contact the appraisal district for details.
5. You may NOT receive both the Over-65 exemption and the Disability exemption.
6. If you are already receiving a Disability exemption, your Over-65 exemption will be applied next year.

OVER-65 SURVIVING SPOUSE OF A PERSON WHO RECEIVED THE OVER-65 EXEMPTION

1. To qualify for an extension of the Over-65 exemption, you must have been at least age 55 on the date your spouse died and death must have occurred on or after December 1, 1987.
2. You must submit proof of age and proof of death of your spouse.
3. Your deceased spouse must have been receiving the Over-65 exemption on this residence homestead or would have applied and qualified before his/her death. (See Over-65 qualifications above.)

DISABILITY EXEMPTION

1. To qualify, you must meet all of the qualifications for the General Residential Homestead Exemption as shown above.
2. In addition, you must submit proof of disability. Acceptable proof includes a current statement from the Social Security Administration (1-800-772-1213) showing that you are disabled and the date on which your disability began, or a current letter of verification from your physician stating you are disabled, the date your disability began, and you are unable to engage in any substantial gainful work for a period which has lasted or can be expected to last for a continuous period of one year or more.
3. You must be receiving payment of disability benefits under the federal Old-Age, Survivor's, and Disability Insurance Act, or you must have met the definition of disabled in that Act on January 1 of the year for which you are applying.
4. You may NOT receive both the Disability exemption and the Over-65 exemption.

LATE FILING OF HOMESTEAD EXEMPTION FOR PRIOR YEAR

You must file an application no later than one year after the date you paid the taxes on your homestead or the taxes became delinquent, whichever is earlier.

SIGNATURE REQUIRED

The person signing this application must be the person qualified for the exemption(s) checked. If the Chief Appraiser grants your application, you do not have to reapply annually. However, you must reapply if the Chief Appraiser requires you to do so, or if you want the exemption to apply to property not listed on this application. You must notify the Chief Appraiser in writing, if and when, your right to this exemption ends. If this application is not approved, you will receive written notification explaining why it was not approved.



RESIDENTIAL HOMESTEAD EXEMPTION APPLICATION

THERE IS NO FEE TO FILE THIS APPLICATION

PLEASE RETURN TO: CENTRAL APPRAISAL DISTRICT OF COLLIN COUNTY
2404 K Avenue Plano, TX 75074

Metro 972-578-5200 972-562-1404 McKinney www.collincad.org TAX YEAR 2005

Legal Description:
Owner & Mailing Address

Sample

Situs Address:

Form with fields: Address of Property you are applying for, Phone #, Driver's License, Personal ID Cert. or Social Security Number*, Birth Date

NOTE: For a list of taxing units, exemptions and tax limitations offered, visit www.collincad.org or call the Appraisal District.

PLEASE ANSWER THE FOLLOWING QUESTIONS:

- 1. yes no Do you occupy the property as your primary residence?
2. yes no Is any portion of this property rental property or for business purposes?
3. yes no Is your mailing address different from the property address?
4. yes no Are you claiming a homestead exemption on another property?
5. yes no Is this property owned by more than one person, other than your spouse?
6. yes no Is this exemption for a mobile home?
7. yes no Is this a cooperative housing unit?
Optional: Number of acres used for residential purposes (yard, garden, garage, etc.):

PLEASE CHECK THE BOX BY THE EXEMPTION(S) THAT APPLY TO YOU:

- GENERAL RESIDENTIAL EXEMPTION: DATE MOVED IN
DISABILITY EXEMPTION
OVER-65 EXEMPTION
OVER-55 SURVIVING SPOUSE OF A PERSON WHO RECEIVED THE OVER-65 EXEMPTION
LATE FILING FOR PRIOR YEAR

SIGNATURE REQUIRED: By signing this application, you state that you are qualified for the exemptions checked above. You state that the facts in this application are true and correct.

Form with fields: Print Owners Names, Date, Owners Sign Here, Please return to the Appraisal District at the address above.

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a State jail felony Under Texas Penal Code Section 37.10.



REPUBLIC TITLE Courtesy of REPUBLIC TITLE

(R) 11/08

SAMPLE ONLY



DALLAS CENTRAL APPRAISAL DISTRICT
P.O. Box 560328 Dallas, Texas 75356-0328
(214) 631-0910 or 631-1342

RESIDENTIAL HOMESTEAD EXEMPTION APPLICATION FOR 1999

No Fee is charged to process this application, but it must be notarized.



20244000070050000

Account Number
Homeowner Name

Property Address
Legal Description

Street
City, State, Zip

VOL98131/0268 DD062998 CO-DALLAS

SAMPLE ONLY

PLEASE ANSWER THE FOLLOWING QUESTIONS:

- 1. Yes No Is this a rental property?
2. Yes No Is your mailing address different from the above address?
3. Yes No Are you claiming a homestead exemption on another property?
4. Yes No Is property owned by more than one person?
5. Yes No Is this exemption for a mobile home?
6. Yes No Is this a cooperative housing unit?

CHECK ALL APPLICABLE BOXES. Click for qualifications and exemptions.

- General Residential Homestead Exemption
Over-65 Exemption. Attach proof of age (copy of front of driver's license or birth certificate).
Over-55 Surviving Spouse of a person who received the Over-65 Exemption. Attach proof of your age and death certificate of your spouse.
Disability Exemption. Attach proof of disability; see qualifications for acceptable proof. Do not check the box if applying for a Disabled Veteran Exemption. Contact this office for the Disabled Veteran form and return it by April 30.
Late Filing of Homestead Exemption for prior year, Application must be received no later than 1 year from the date the taxes were paid or became delinquent, whichever is earlier.

Under Texas Penal Code Section 37.10, if you make a false statement on this application, you could be found guilty of a class A misdemeanor or a felony. By signing this application, you state that you are qualified for the exemption(s) checked above and the facts in this application are true and correct. You also state that you do not claim an exemption on another residence. You swear or affirm that you have read and understand the penalty for filing a false statement.

Printed Owner Name:

Owner Signature Date

NOTARY STATEMENT

Social Security No.

SUBSCRIBED AND SWORN before me this day of

Driver's License/Texas ID No.

Notary Public State of Texas

Date of Birth / /
Date of Birth M M D D Y Y Y Y

My commission expires

Phone No. () Wk. () Hm.



REPUBLIC TITLE Courtesy of REPUBLIC TITLE

(R) 11/08

Denton Central Appraisal District
 3911 Morse Street PO Box 2816
 Denton, TX 76208 Denton, TX 76202
 (940) 349-3800 or (972) 434-2602

For Appraisal District Use Only:	
Account Number:	Approved/Checked By:
Prior Years To Supp:	ETR Year:
Year To Add:	Qual Date:
DP/OA Limit:	Entity Code:
DP/OA Limit:	Entity Code:

Application for Residential Homestead Exemption for 20__

Step 1: Owner's name and address	Owner's Name (person completing application):	Birth Date:
	Provide one of the following* # Driver's License Number, Social Security Number, or Personal ID Certificate Number #	
	Current Mailing Address (number and street):	Home Phone (area code and number): ()
	City, State, Zip Code:	Work Phone (area code and number): ()
	Percent Ownership in Property:	Number of owners living at property:
	Other Owner's Name(s) (if any):	Other Owner's Percent Ownership:
	Step 2: Describe your property	Give street address if different from above, or legal description if no street address:
	MOBILE HOMES: Attach a copy of statement of ownership and location from the Texas Department of Transportation, Community Affairs if home is 8x40' or larger, or a verified copy of the purchase contract that shows you as owner of the mobile home. Make _____ Model _____ DI# _____	
	OPTIONAL – Number of acres used for residential purposes (yard, garden, garage, etc.) _____ acres	
Step 3: Check exemptions that apply to you	<input type="checkbox"/> GENERAL RESIDENTIAL EXEMPTION: You qualify for this exemption if (1) you owned this property on January 1; (2) you occupied it as your principal residence on January 1; and (3) you or your spouse has not claimed a residence homestead exemption on any other property.	
	<input type="checkbox"/> OVER-65 EXEMPTION: You qualify for this exemption if you are 65 years of age or older. You can't claim a disability exemption if you claim this exemption. See the back of this form for more information about the tax limitation or qualification dates. Please check if you will transfer a tax ceiling from your last home in Texas.....YES <input type="checkbox"/> NO <input type="checkbox"/> ATTACH PROOF OF AGE ** If yes, attach ceiling transfer certificate from prior appraisal district.	
	<input type="checkbox"/> DISABILITY EXEMPTION: You qualify for this exemption if you were under a disability for the purposes of payment of disability benefits under federal Old Age, Survivor's and Disability Insurance Act OR you met the definition of disabled in that Act. You can't claim an over-65 exemption if you claim this exemption. See the back of this form for more information about tax limitations or qualification dates. Please check if you will transfer a tax ceiling from your last home in Texas.....YES <input type="checkbox"/> NO <input type="checkbox"/> ATTACH PROOF OF DISABILITY ** If yes, attach ceiling transfer certificate from prior appraisal district.	
	<input type="checkbox"/> OVER-55 SURVIVING SPOUSE OF A PERSON WHO RECEIVED THE OVER-65/DISABILITY EXEMPTION: You may qualify for an extension of the school tax limitation if (1) you were 55 years of age or older on the date your spouse died; and (2) your deceased spouse was receiving either the over-65 or disability exemptions on this residence homestead or would have applied and qualified for the exemptions in the year of the spouse's death. See the back of this form for more information about the tax limitations or qualification dates. Your spouse's name: _____ ATTACH COPY OF DEATH CERTIFICATE AND PROOF OF YOUR AGE Date of Death: _____ Your Date of Birth: _____ Please check if you will transfer a tax ceiling from your last home in Texas.....YES <input type="checkbox"/> NO <input type="checkbox"/> ** If yes, attach ceiling transfer certificate from prior appraisal district.	
Step 4: Answer if applies	COOPERATIVE HOUSING RESIDENTS: Do you have an exclusive right to occupy the unit because you own stock in a cooperative housing corporation? YES <input type="checkbox"/> NO <input type="checkbox"/>	
Step 5: Check if late	<input type="checkbox"/> Application for homestead exemption for prior tax year, 20__. You may file a late General Residential Exemption application for property you owned and occupied on January 1 st , if you file it no later than one year after the date the taxes on the homestead become delinquent. See the back of this form for more information about the tax limitations or qualification dates.	
Step 6: Sign and Date the application	By signing this application, you state that you are qualified for the exemptions checked above. You state that the facts in this application are true and correct. You also state that you do not claim an exemption on another residence homestead. You must notify the chief appraiser if and when your right to the exemptions end. You swear or affirm that you have read and understand the penalty for filing a false statement. If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under the Texas Penal Code Section 37.10.	
	Authorized Signature sign here →	Date


Sample



APPLICATION FOR RESIDENTIAL HOMESTEAD EXEMPTION

To complete this form, see the instructions on back of this form.

YEAR

Appraisal district name		Phone (Area code and number)	
Address			
For appraisal district office use only		Legal description:	Parcel number
Step 1: Owner's name and address (attach sheets if needed)	Owner's Name (person completing application):		
	Current Mailing Address		
	City, State, ZIP Code		Phone (area code and number):
	Driver's License, Personal ID Certificate, or Social Security Number*:		
	Percent Ownership in Property:		
	Other Owner's Name(s) (if any):		Other Owner's Percent Ownership:
Step 2: Describe your property	Street address if different from above, or legal description if no street address; include property account number, if available (optional):		
	MOBILE HOMES - Give make, model and identification number: Attach a copy of statement of ownership and location issued by the Texas Department of Housing and Community Affairs if home is 8' x 40' or larger. Or, attach a verified copy of the purchase contract that shows you are the owner of the mobile home.		
	OPTIONAL - Number of acres used for residential purposes (yard, garden, garage, etc.)..... acres		
Step 3: Check exemptions that apply to you	<input type="checkbox"/> GENERAL RESIDENTIAL EXEMPTION: You qualify for this exemption if (1) you owned this property on January 1; (2) you occupied it as your principal residence on January 1; and (3) you or your spouse have not claimed a residence homestead exemption on any other property.		
	<input type="checkbox"/> OVER-65 EXEMPTION: You qualify for this exemption if you are 65 years of age or older. You can't claim a disability exemption if you claim this exemption. See the back of this form for more information about tax limitations or qualification dates. Check if you will transfer a tax ceiling from your last home Yes <input type="checkbox"/> No <input type="checkbox"/>		
	<input type="checkbox"/> DISABILITY EXEMPTION: You qualify for this exemption if you are were under a disability for the purposes of payment of disability benefits under the federal Old Age, Survivor's and Disability Insurance Act OR you met the definition of disabled in that Act. You can't claim an over-65 exemption if you claim this exemption. See the back of this form for more information about tax limitations or qualification dates. Check if you will transfer a tax ceiling from your last home Yes <input type="checkbox"/> No <input type="checkbox"/>		
	<input type="checkbox"/> OVER-55 SURVIVING SPOUSE OF A PERSON WHO RECEIVED THE OVER-65 EXEMPTION: You qualify for an extension of this exemption if (1) you are 55 years of age or older on the date your spouse died and (2) your deceased spouse was receiving the over-65 exemptions on this residence homestead or would have applied and qualified for the exemption in the year of the spouse's death. See the back of this form for more information about tax limitations or qualification dates. Deceased Spouse's Name _____ Date of death _____ Check if you will transfer a tax ceiling from your last home Yes <input type="checkbox"/> No <input type="checkbox"/>		
Step 4: Answer if applies	COOPERATIVE HOUSING RESIDENTS - Do you have an exclusive right to occupy this unit because you own stock in a cooperative housing corporation?..... Yes <input type="checkbox"/> No <input type="checkbox"/>		
Step 5: Check if late	<input type="checkbox"/>		
Step 6: Sign and date the application	By signing this application, you state that you are qualified for the exemptions checked above. You state that the facts in this application are true and correct. You also state that you do not claim an exemption on another residence homestead. You must notify the chief appraiser if and when your right to the exemptions end. You swear or affirm that you have read and understand the penalty for filing a false statement.		
	sign here 	Authorized signature	Date
If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.			

Sample

* You are required to give us this information on this form, in order to perform tax related functions for this office. Section 11.43 of the Tax Code authorizes this office to request this information to determine tax compliance. The chief appraiser is required to keep the information confidential and not open to public inspection, except to appraisal office employees who appraise property and as authorized by Section 11.48(b), Tax Code.
(Over)



THE TEXAS COMMUNITY PROPERTY LAWS

The concept of **C**ommunity property in Texas comes from Spanish Civil Law, and since Texas at one time was under Spanish dominion, this concept has carried over into our own civil law system. This community property system exists by **O**peration of law through our statutes and case law decisions instead of by voluntary agreement of the spouses, so a married man and woman do not have the option not to be governed by the community property system in Texas - it is automatic. However, the system provides statutory methods to allow spouses to divide their community property into separate pieces if they wish to make the special effort.

Under the Texas community property system, the wife and husband share equally. The wife does not acquire any title through her husband but owns her community interest at the moment of acquisition and continues to do so *as long as* the couple own the asset. The same statement can be made of the husband - he does not acquire any title through his wife, but owns his community interest at the moment of acquisition. If, however, the legal title to the asset is vested solely in the name of one or the other spouse, this spouse simply holds the property for the community estate (husband and wife) during the term of the marriage.

Married couples moving to Texas from other states, owning property in the state from which they are moving, will find that the law of the state where the property is located determines the **C**ommunity or **N**on-community character of the out-of-Texas property. Consequently, if the out-of-Texas property is separate property in that state, the property would continue to be the separate property of the spouse who holds title when the couple moves to Texas. On the other hand, when a husband and wife, being non-residents of Texas, purchase a land in Texas, the laws of the State of Texas would govern (as to that property), and the property would be considered community property.

The definition of community property under Texas law is governed by the Texas Family Code and the judicial decisions of the Texas courts.

Looking at the Family Code, we see that Sections 5.01 and 5.02 set forth the definition of community property:

Section 5.01. Marital Property Characterized.

- A. A spouse's separate property consists of:
 1. the property owned or claimed by the spouse before marriage;
 2. the property acquired by the spouse during marriage by gift, devise, or descent; and
 3. the recovery for personal injuries sustained by the spouse during marriage, except any recovery for loss of earning capacity during marriage.

Section 5.02. Presumption

Property possessed by either spouse during or on dissolution of marriage is presumed to be community property.

For expanded information and a more detailed look at Texas Community Property Laws please refer to **The Texas Community Property Laws** booklet by Hunter & Kramer, P.C., Attorneys at Law and published by Republic Title of Texas, Inc.

