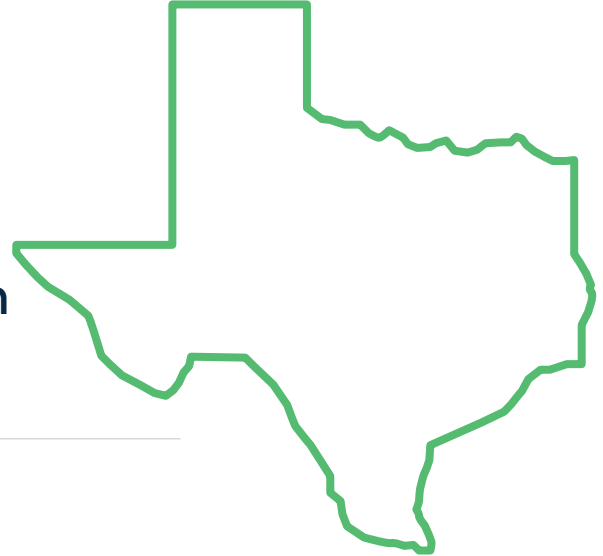


HEIRS' PROPERTY:

Understanding the Legal Issues in *Texas*

By Francine Miller
November 2022



Introduction

The purpose of this factsheet is to prevent the loss of land owned as heirs' property in Texas. It examines state laws that are relevant to heirs' property owners in Texas, and outlines steps they can take to resolve property issues before seeing an attorney.

It also explains relevant legal issues, including:

- 1. how to identify the legal heirs of the original ancestor who owned the land,**
- 2. state partition law,**
- 3. state law that permits the sale of land due to unpaid property taxes, and**
- 4. state law addressing adverse possession and condemnation**
(these terms are defined in the glossary, below).

This resource may be useful to professionals assisting heirs' property owners, such as lawyers, nonprofit and community development advocates, and cooperative extension agents.



For a glossary of legal terms used in this factsheet, refer to page 12.

What is Heirs' Property?

Heirs' property (sometimes known as family land) is property that has been transferred to multiple family members by inheritance, usually without a will. Typically, it is created when land is transferred from someone who dies without a will to that person's spouse, children, or other heirs who have a legal right to the property. However, even if the person who died had a will, they may still create heirs' property if they leave land to multiple heirs without specifying which heirs get which section of the land.

When heirs' property is created, the heirs own all the property together (in legal terms, they own the property as "tenants in common"). In other words, they each own an interest in the undivided land rather than each heir owning an individual lot or piece of the land. In addition, unless the heirs go to the appropriate administrative agency or court in their jurisdiction and have the title or deed to the land changed to reflect their ownership, the land will remain in the name of the person who died.

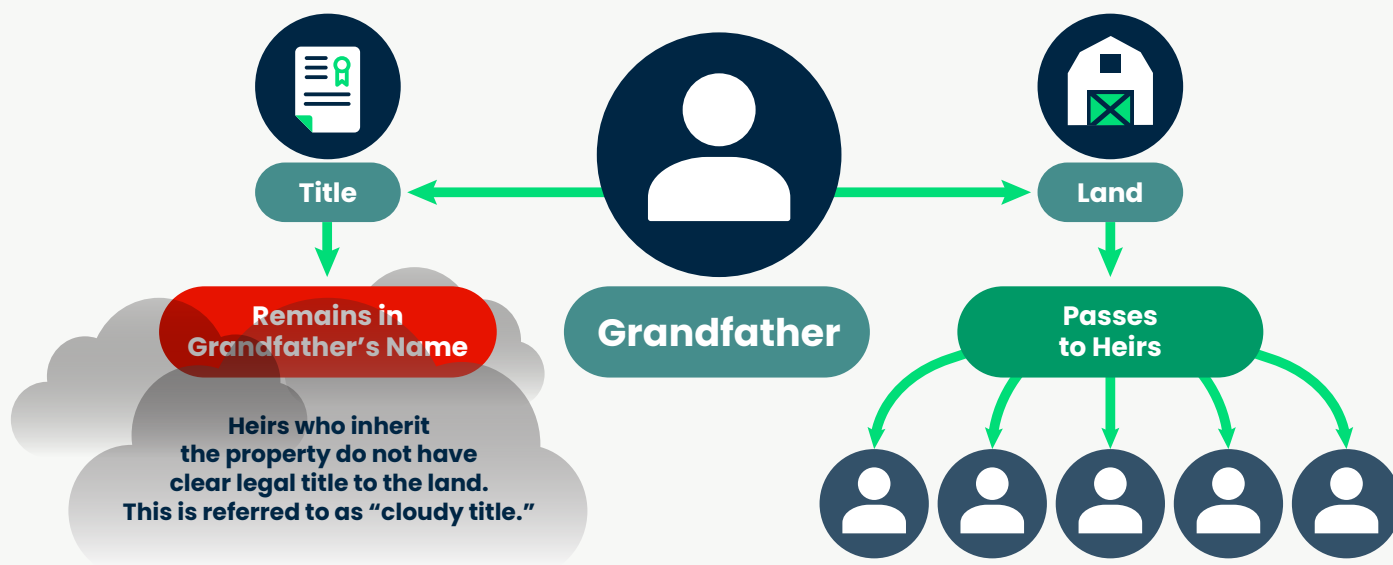
For the heirs, owning property as tenants in common without a clear title can lead to many challenges. Because it is difficult for heirs to prove ownership, they may be unable to access loans and mortgages, apply for USDA grants or loans, and build wealth from the land by engaging in commercial activity, such as selling timber or other resources—all of which require proof of ownership. It also leaves the property vulnerable to being acquired by real estate developers and unscrupulous actors.



Learn More Using the Farmland Access Legal Toolkit

For a more comprehensive overview of heirs' property issues, visit farmlandaccess.org/heirs-property.

Find additional advice for heirs' property owners, including how to proactively avoid and address legal challenges, at farmlandaccess.org/suggestions-for-heirs-property-owners.



Identifying Heirs

To resolve heirs' property issues, an important first step is tracing the ownership of the land from the original titled owner to the current owners. Many practitioners encourage heirs' property owners to build a family tree identifying all the heirs, deceased and living. Specifically, heirs' property owners will want to collect:

1. **the heirs' birth and death dates,**
2. **county of death,**
3. **proof of whether they died with a will, and**
4. **any current contact information for living heirs.**

The goal is to gather information about anyone who may have at any time held any interest in the land, so it is important to identify all the heirs, all of whom might be entitled to an interest in the land.

When a person dies with a valid will, they die "testate" and their will determines who inherits their property.¹ When a person dies without a will, they die "intestate" and state law governing intestate succession determines who inherits that person's real estate and other assets.² Who inherits a person's land by intestate succession varies depending on which family members survive the decedent.

There are generally a number of types of living heirs entitled to inherit from a decedent, including: the spouse of the decedent; biological and adopted children, and their descendants; parents of the decedent; siblings of the decedent, and if they have died, their descendants (the decedent's nieces and nephews); and grandparents and cousins.



Finding the Family (Genealogy) and Land Records

Resources to help identify and locate heirs and build the family tree include genealogists and family history sites such as [ancestry.com](https://www.ancestry.com), [myheritage.com](https://www.myheritage.com), and [familysearch.org](https://www.familysearch.org). Family bibles can be a good source of information and can sometimes be used to show heirs. Local libraries can also be a great resource for genealogical records and research help (see contact information below). Individuals can also visit the following resources:

Texas State Library and Archives Commission

Lorenzo de Zavala State Archives and Library Building
Capitol Complex, 1201 Brazos St.
Austin, TX 78701
Phone: (512) 463-5455
Email: info@tsl.texas.gov

Online Genealogy Search

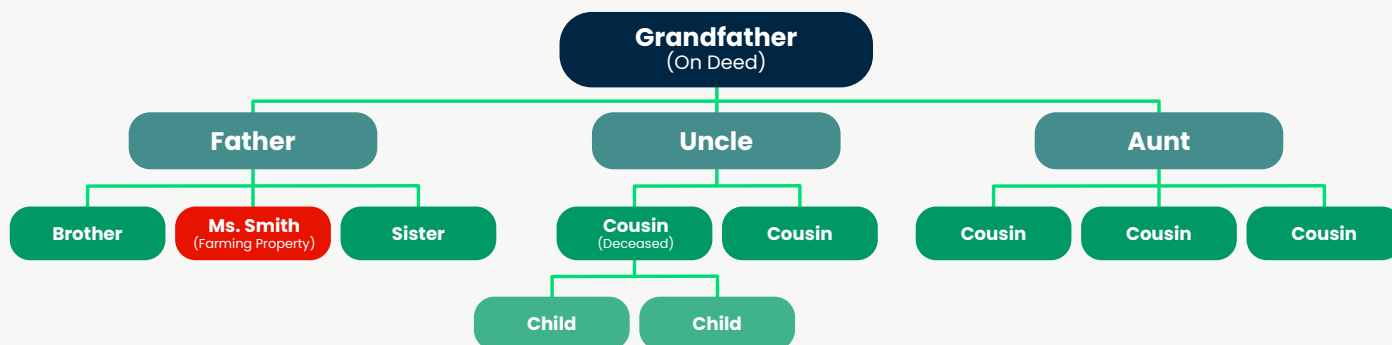
tsl.texas.gov/arc/genfirst.html

Specifically for African American Genealogical Resources

tsl.texas.gov/ref/africanamericangenealogy

For land records, individuals should visit the local county recorder or tax assessor's office to request copies of records. There are numerous online search engines, but note that some of them require payment for searches.

An example of a simple family tree for Ms. Smith



Intestate Succession in Texas³

The following chart describes some of the many possibilities under Texas intestate succession laws. If there are multiple generations involved, it will likely be important to work with an attorney to successfully identify all the current owners.

If a person dies with:	Here's who inherits:
children but no spouse	the children inherit everything
a spouse but no children, parents, or siblings	the spouse inherits everything
parents but no children, spouse, or siblings	the parents inherit everything; each receive half the intestate property
siblings but no children, spouse, or parents	the siblings inherit everything equally
a spouse and children of the spouse and the decedent	<p>the spouse inherits all the community property, one-third of the decedent's separate personal property, and if the decedent owned real estate as separate property, the right to use the decedent's real estate for life (a life estate)</p> <p>the children inherit everything else, including two-thirds of the decedent's separate personal property, and the decedent's separate real estate after the spouse's death</p>
a spouse and children of the decedent who are not children of the spouse	<p>the spouse keeps their one-half interest in the community property and inherits one-third of the decedent's separate personal property, and if the decedent owned real estate as separate property, the right to use the decedent's real estate for life (a life estate)</p> <p>the children inherit everything else, including the decedent's one-half interest in the community property, two-thirds of the decedent's separate personal property, and the decedent's separate real estate after the spouse's death</p>

If a person dies with:	Here's who inherits:
a spouse and parents	<p>the spouse inherits all of the decedent's community property, all of the decedent's separate personal property, and half of the decedent's separate real estate</p> <p>the parents inherit one-half of the decedent's separate real estate</p>
a spouse and siblings, but no parents	<p>the spouse inherits all of the decedent's community property, all of the decedent's separate personal property, and half of the decedent's separate real estate</p> <p>the siblings inherit half of the decedent's separate real estate</p>
children born outside marriage	<p>Children of an unmarried father may receive a share of his estate if (1) the father participated in a marriage ceremony that later turned out to be void, (2) he acknowledged paternity in writing, (3) he adopted the child, (4) his paternity was established under Texas law during his lifetime, or (5) his child petitions the probate court to determine paternity and inheritance rights and paternity is established in that process.</p> <p>A woman who gives birth to a child is presumed to be their mother, unless there is evidence of adoption by another family.⁴</p>

Understanding Partition Law

Heirs who inherit land intestate (without a will) own it as tenants in common.⁵ Tenants in common each own an *undivided* interest in the whole parcel of land, which means that none of the heirs can claim any specific piece of land. As tenants in common, each heir has equal rights to use and occupy the land.

Heirs' property owners are especially vulnerable to losing their land because they are subject to partition actions to physically divide or sell the land.

As co-owners of the property, any of the tenants in common can bring an action in court asking for partition of the property.

There are two ways a court can partition or divide the property: partition in kind or partition by sale. If a court orders partition in kind, the land must be physically divided equitably and proportionate to the fractional interest and value of each co-owner's share. If the court orders partition by sale, it triggers a process that requires the property to be sold.

Historically, when a court ordered partition by sale, the property was sold to the public. This typically happened by a mandatory sale at an auction. Often, property owners lost their family legacies and generally received a small percentage of what the land was worth—far below the property's fair market value.⁶ This has resulted in a tremendous amount of land loss among African Americans in the United States. Since 2010, there have been efforts to pass legislation at the state level to ensure that heirs' property owners have certain due process rights, or fair treatment under the law in accordance with established rules and requirements. This includes protections to ensure that property sold in a partition action is sold for fair market

value. That legislation, drafted by the Uniform Law Commission, is called the **Uniform Partition of Heirs Property Act** (UPHPA). It provides a more equitable system for partition actions of heirs' property.

The UPHPA became effective in Texas in 2017.⁷ The law changes the way partition sales occur in states that have adopted it. In Texas, the UPHPA made three major reforms to partition law:

- 1. If a co-owner brings a partition action in court, the court must provide an opportunity for the other co-owners to buy out the co-owner who brought the partition action.**
- 2. If there is no buyout of co-owners' interests in the property, then the law provides a set of factors for the court to consider that take into account sentimental value and family legacy when determining whether to order a partition in kind and divide up rather than sell the property.**
- 3. If the court does not order a partition in kind, the UPHPA requires the court to sell the property at fair market value and lays out a process for the property to be fairly appraised and sold, with proceeds distributed to all co-owners based on their respective shares.**

Court actions for partition should be avoided if possible. If a physical partition of the land is desired by all co-owners, they should attempt to divide the property voluntarily by agreement with the help of a surveyor and real estate attorney. If an heir receives a notice of a partition action, they should immediately consult an attorney to protect the heirs' rights in the land. Historically, partition sales have been devastating to African American landowners, resulting in forced sales of millions of acres of property and the loss of a tremendous amount of land, wealth, and family legacy.

Avoiding Tax Sales

It is very important for heirs' property owners to make sure property taxes are paid in full because tax sales can lead to loss of land. Property becomes subject to a tax sale when a landowner fails to pay annual property taxes on time. The overdue amount generally becomes a tax lien, which may cause the local government authority to begin a process to sell the land.

Heirs' property owners should not wait to clear title to the property (see definition in the glossary) before paying the property taxes.

Note that in many families, one or more of the heirs pays the total amount of the annual property taxes due, including the portions owed by other co-owners. Ideally, the other co-owners reimburse the family members who cover their share. If they do not, the co-owner who paid the taxes can get reimbursed through voluntary repayment, distribution of income received from the property, or sale proceeds if the land is sold. Importantly, payment of taxes does not increase a co-owner's ownership interest. Rather, it creates a claim for reimbursement from any co-owner who is not paying the taxes. Anyone who pays taxes on the property should keep tax bills and receipts so that they can request or claim reimbursement.

How Tax Sales Work in Texas

In Texas, property tax bills are mailed around October 1, and become delinquent if they are not paid by February 1 of the following year.⁸ Texas law provides that the property tax due is automatically a lien on the property until those taxes are paid.⁹ If the taxes are not paid prior to February 1, the taxing unit can file a lawsuit to foreclose on the lien to ensure payment of the tax, or enforce personal liability for the tax.¹⁰ The court can order the sale of the property if the lawsuit is successful.¹¹ The sale is held in the form of a public auction and the property is sold to the highest bidder. If the municipality has approval, the auction can be held online.

Texas landowners have opportunities to redeem, or get back, their property. First the landowner can redeem the property up to the time of any sale by paying the relevant taxes, penalties, interest, and any other costs assessed by the state. Landowners also can redeem their property up to two years after any sale takes place. The amount that must be paid, including a steep redemption penalty fee, differs depending on how the property is used and when it is redeemed, so landowners should consult an attorney before attempting to redeem a property.¹²



Potential Tax Savings for Agricultural Land

Heirs' property owners of agricultural land should also be aware of the potential for financial savings by receiving an agricultural exemption for property taxes due, by having the land deemed as "designated for agricultural use." Land designated in this way is appraised at its agricultural value, which is based on its use as agricultural land and its ability to generate income.¹³

In Texas, the criteria for whether land can be designated as agricultural include:

1. whether the land has been used continuously for agriculture for three years;
2. whether the landowner is using the land for agriculture as an occupation or as a business for profit;
3. and whether agriculture is the landowner's primary occupation and source of income.¹⁴ Only individuals can qualify (not corporations or other business entities). Savings over time can be significant for heirs' property owners because an appraisal based on land's agricultural value is usually much less than appraisals based on market value. Forestland, cropland, and land managed for wildlife all may be eligible for this type of special appraisal. The Texas Comptroller's office provides resources regarding these appraisals.¹⁵

Avoiding Adverse Possession

Heirs' property owners must also manage and monitor their land to ensure the property is not taken through adverse possession or eminent domain (that is, condemned by the local, state, or federal government).

Adverse Possession

Adverse possession allows a trespasser to become the owner of land they do not own if they meet certain criteria and bring an action in court asking a judge to declare them the owner. Failure to monitor and manage heirs' property can invite neighbors and others to develop a strong case for seeking ownership of land in this way. To avoid this, "No Trespassing" signs should be posted, and if a family member cannot check the land periodically, a manager should be hired.

A person can gain full ownership of land they do not own by occupying the land and meeting the following requirements.

The possession of the land must be:

- actual and visible;
- hostile (the person must be living or working on the land without permission);
- exclusive (the person must possess the land for themselves);
- distinct (i.e., not jointly owned with the adverse party);
- obvious (there's an unmistakable claim of exclusive ownership);
- open and notorious; and
- continuous for the statutory period (5 or 10 years, depending on the situation).¹⁶

"Possession" means that the person has been cultivating the land, has fenced all the land, or has improved the land in some way such as building structures, planting timber, or other activities that add to its value. In Texas, the possession must also be "peaceable," meaning that the original owner has not filed suit during the statutory period to recover the property.

Adverse possession under "color of title" means the person must be relying on a recorded written document that they believe shows they are the actual owner of the property. In Texas, if a person tries to claim adverse possession under color of title, the person must prove they occupied the land for three years.¹⁷

Co-owners and Adverse Possession

Texas heirs' property owners should know that there are circumstances under which a co-tenant heir can attempt to gain sole title to heirs' property based on adverse possession against another co-tenant heir. For example, a person can claim adverse possession of land they co-own with other heirs after living on the property and paying taxes for at least ten years if no other co-tenant has done anything to establish their ownership of the property.¹⁸ The co-tenant heir seeking title under adverse possession must give the other co-tenants notice, including publishing notice in a local newspaper, and must file affidavits in the county offices where deed records are kept. The co-heirs have five years to file an affidavit objecting to the co-tenant's claim of adverse possession or file a lawsuit to recover their interests.

Condemnation

Condemnation occurs when the local, state, or federal government forces a landowner to sell their land to the government. State and federal governments, local city and county governments, and private businesses can take private land under "eminent domain" laws if they can show that doing so is necessary for a public use or purpose.



Agricultural Mediation Services

Family disputes are unfortunately common with heirs' property. There are often multiple generations of heirs who must come to an agreement, which can be difficult. The United States Department of Agriculture's Farm Service Agency (FSA) runs an Agricultural Mediation Program which can be used by heirs' property owners to mediate family disputes. The FSA provides funding to relevant state agencies to support mediation between individuals involved in many kinds of disputes related to agricultural issues. These include USDA decisions on loans, conservation programs, wetland determinations, and rural water loan programs; lease issues between landlords and tenants; family farm transition issues; farmer-neighbor disputes; and family disputes regarding heirs' property.

If family members co-owning heirs' property cannot reach agreement, agricultural mediation services can help. In Texas, families can reach out to:

Texas Rural Mediation Services

P.O. Box 10536

Lubbock, TX 79408

Phone: (866) 329-3522 or (806) 775-1720

Email: drc@co.lubbock.tx.us

Website: lubbockcounty.gov/department/division.php?structureid=111

Additional Resources

Organizations in Texas Supporting Heirs' Property Owners

Prairie View A&M University, Agricultural Extension

Clarence Bunch, Ph.D, Program Leader

Phone: (936) 261-5117

Email: clbunch@pvamu.edu

Website: pvamu.edu/cahs/cep/agriculture-and-natural-resources/programs

Texas Coalition of Rural Landowners

PO Box 681

Prairie View, TX 77446

Phone: (832) 779-1186

Email: TxCRL21@gmail.com



Visit farmlandaccess.org for more resources related to accessing, transferring, and conserving farmland.



For a list of national organizations helping heirs' property owners, visit farmlandaccess.org/heirs-property/#organizationsprovidingassistance

DISCLAIMER: This document provides general legal information for educational purposes only. It is not meant to substitute, and should not be relied upon, for legal advice. Each operation and situation is unique, state laws vary, and the information contained here is specific to the time of publication. Accordingly, for legal advice, please consult an attorney licensed in your state.

Glossary

The following definitions are from multiple sources and are not specific to any particular state statute. Of course, any statutory definitions (terms defined in the laws of a particular state) would overrule these definitions in any legal proceeding.

Ad litem attorney

An attorney appointed by a court in a Determination of Heirship procedure (see definition below) to represent the interests of unknown heirs. This person reviews the application to the court and conducts an independent investigation of the decedent's family history to make sure no heirs are left out of the proceeding.

Adverse possession

A legal doctrine that describes when someone occupies property for a period of time and then claims legal rights to it.

Ancestor

A person from whom someone is descended; a direct blood relative.

Clearing title

The legal process of proving and obtaining a deed for the current owners of heirs' property.

Community Property

Property, other than separate property (see definition below), acquired by either spouse during marriage. All community property is held by both spouses equally with an undivided interest. In Texas, there is a presumption that property owned by either spouse is community property unless there is clear and convincing evidence that it is separate property.

Condemnation/eminent domain

The right of a government or its agent to take private property for a public purpose, with compensation to the property owner (such as a public utility taking land so they can build power lines).

Co-tenants

Those who own heirs' property with others. In a partition action under the Uniform Partition of Heirs Property Act, the co-tenants are all the co-owners of heirs' property, regardless of the size of the fractional interest owned. See the definition of tenants in common, below.

Decedent

A person who has died; decedent is also often referred to as "the deceased."

Deed

A legal document, usually recorded in the office of a town or county that keeps land records, often used to show the legal owner(s) of a piece of property.

Descendant

A person related to someone who has died, either directly (parent, child, grandchild) or indirectly (aunts and uncles, cousins). This includes anyone legally adopted.

Determination of heirship procedure

A court procedure in which the court declares the identities of a decedent's heirs and the heirs' interests in property.

Estate

The real property (land and buildings) and personal property (clothing, furniture, cars, and so on) of a person who has died. In probate settings, the "estate" includes the total assets (things one owns) and liabilities (debts) of a person who has died.

Heirs

People who are entitled under state "intestate" law to inherit property from someone who has died.

Intestate

A person dies "intestate" when they die without a valid will.

Intestate real estate

Land and other property (such as houses or buildings) owned by the decedent when they died and not addressed in a will, and which does not pass to anyone based on language in the deed itself (such as a joint survivorship clause).

Intestate succession

State laws addressing who inherits property from someone who dies without a will (or when a will is found to be invalid), or any property that was not included in the decedent's will.

Joint tenants

Two or more owners of equal shares of property who have a right of survivorship, meaning that if one joint tenant dies their share goes to the other joint tenant(s) in equal shares.

Life estate

Ownership of real property (house, building, land) for a person's lifetime. Once the person dies, the property transfers to someone else designated by whoever granted the life estate.

Probate

The legal process of proving the validity of a will in court, and handling the estate of a decedent whether there is a will or not.

Separate property

Property owned by either spouse before marriage, and property acquired by either spouse during marriage as a gift or inheritance.

Tax lien

A state or local government's right to keep real estate for payment of some debt or obligation.

Tax sale

A legal process used by a county or town to take the property of a landowner who has not paid their property taxes in full and sell it to recover the unpaid taxes.

Tenants in common

People who each own an individual, undivided interest in property (also known as "co-tenants"), but not necessarily equal interests. See the definition of co-tenants, above.

Testate

A person dies "testate" when they have a valid will.

Title

Refers to ownership rights in land. As a legal concept, title exists even without any documents, but a deed is the most common way to determine who has title in land. (See definition of deed, above.) Sometimes a will or an affidavit may be used to document ownership rights.

Undivided interest

An interest in property that is held in common with others in a single property. These interests can be unequal; that is, the value of each interest can vary.

Acknowledgments

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About CAFS



farmlandaccess.org

The Farmland Access Legal Toolkit is a project of Vermont Law and Graduate School's Center for Agriculture and Food Systems (CAFS), which uses law and policy to build a more sustainable and just food system. With local, regional, national, and international partners, CAFS addresses food system challenges related to food justice, food security, farmland access, animal welfare, worker protections, the environment, and public health, among others. CAFS works closely with its partners to provide legal services that respond to their needs and develops resources that empower the communities they serve. Through CAFS' Food and Agriculture Clinic and Research Assistant program, students work directly on projects alongside partners nationwide, engaging in innovative work that spans the food system.

Please visit www.vermontlaw.edu/cafs to learn more.

Endnotes

- 1 It is important to file a deceased person's will along with a petition to probate the will with the local court where the person resided and where the property is located as soon as possible after the person has died. See *Probate: General Information*, TEX. STATE L. LIBRARY, <https://guides.sll.texas.gov/probate> (last visited Nov. 16, 2022) (providing a guide to probate in Texas).
- 2 Estate planning and will making are critical to avoid the challenges for heirs' property owners outlined above. For more information on the importance of wills and estate planning see the Farmland Access Legal Toolkit. *Heirs' Property*, CNTR. AGRIC. & FOOD SYSS., <https://farmlandaccess.org/heirs-property/#challenges> (last visited Oct. 25, 2022); *Wills*, CNTR. AGRIC. & FOOD SYSS., <https://farmlandaccess.org/wills/> (last visited Oct. 25, 2022).
- 3 Chart created based on one by Valerie Keene. Valerie Keene, *Intestate Succession in Texas*, NOLO, <https://www.nolo.com/legal-encyclopedia/intestate-succession-texas.html> (last visited Nov. 11, 2022). Substance of the chart from Texas Probate Codes Annotated. TEX. PROB. CODE ANN. § 201 (West 2021).
- 4 TEX. PROB. CODE ANN. § 201.052 (West 2021).
- 5 Heirs who inherit property through a valid will may also own the land as tenants in common if it is left to them without designation of the specific land each heir receives.
- 6 Thomas W. Mitchell, *Historic Partition Law Reform: A Game Changer for Heirs' Property Owners*, TEXAS A&M UNIV. SCH. L. 74 (June 12, 2019), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3403088.
- 7 TEX. PROP. CODE ANN. § 23A.001 (West 2021).
- 8 TEX. TAX CODE ANN. § 31.02 (West 2021).
- 9 TEX. TAX CODE ANN. § 32.01 (West 2000).
- 10 TEX. TAX CODE ANN. § 33.41 (West 2019).
- 11 TEX. TAX CODE ANN. § 33.53 (West 1999).
- 12 TEX. TAX CODE ANN. § 34.21 (West 2019).
- 13 TEX. TAX CODE ANN. § 23.41 (West 1999).
- 14 TEX. TAX CODE ANN. § 23.42 (2020).
- 15 See *Taxes: Property Tax Assistance*, COMPTROLLER.TEXAS.HOV, <https://comptroller.texas.gov/taxes/property-tax/ag-timber/index.php> (last visited Nov. 16, 2022).
- 16 TEX. CIV. PRAC. & REM. CODE § 16.021–16.0265 (West 1985).
- 17 TEX. CIV. PRAC. & REM. CODE § 16.024 (West 1985).
- 18 TEX. CIV. PRAC. & REM. CODE § 16.0265 (West 2017).