

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**February 25, 2011**

**TO:** Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB252** by Hilderbran (Relating to eligibility for an exemption from ad valorem taxation of the residence homestead of a person.), **As Introduced**

Depending upon the number of persons that would apply for a duplicate license or personal identification card when submitting an application for a homestead exemption, there could be an indeterminate revenue gain to the state.

The bill would require an applicant for a homestead exemption, in addition to meeting other requirements in current law, to submit a copy of the applicant's driver's license or state-issued personal identification certificate, and a copy of the applicant's vehicle registration receipt or if the applicant does not own a vehicle an affidavit to that effect and a copy of a utility bill in the applicant's name.

A chief appraiser would be prohibited from allowing a homestead exemption unless the address on the driver's license or personal identification certificate corresponds to the address on the applicant's vehicle registration receipt or utility bill, and the address corresponds to the address of the property for which the exemption is claimed.

The bill's provision that a homestead exemption applicant present a driver's license or other identification with an address that matches the address of the home in question could prevent applicants from receiving homestead exemptions to which they are not entitled. This could create a gain to taxing units and the state. Section 11.43(f) of the Tax Code, however, currently allows an applicant to present his or her social security number in lieu of a driver's license or other ID. This section would not be repealed or amended by the bill which could cause confusion and hamper the implementation of the changes proposed in the bill. The number and value of homesteads that would be prevented from receiving an erroneous homestead exemption by the bill is unknown. Consequently the potential gain cannot be estimated.

Texas driver licenses must be renewed every six years, except that a person with a change in personal information, like a change of address, must apply for a duplicate license and pay a \$10 duplicate fee. The fee for a duplicate personal identification card is also \$10. Because the number of persons that would apply for a duplicate license or personal identification card in order to comply with the bill's requirements when submitting an application for a homestead exemption cannot be determined, the fiscal impact of this portion of the bill cannot be estimated.

Motor vehicles in Texas must be registered annually in the owner's county of residence. There is no requirement to re-register a motor vehicle when the owner's address changes, but this would be taken care of in a subsequent registration. The Texas Department of Motor Vehicles does provide an on-line form to register a Change of Address for Texas Vehicle Registration. If an owner were to re-register a motor vehicle during a period when the registration was valid, the registration fee would cover the additional time required in order to extend the registration to one year. There would be no additional fees required. If a person re-registered a motor vehicle to satisfy the address requirements of the bill there would be no fiscal impact.

The bill would take effect on September 1, 2011.

**Local Government Impact**

The bill's provision that a homestead exemption applicant present a driver's license or other identification with an address that matches the address of the home in question could prevent applicants from receiving homestead exemptions to which they are not entitled. This could create a gain to local taxing units.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD, AG