

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB915 by Wentworth (Relating to the ad valorem taxation of manufactured homes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 11.432 of the Tax Code to add a sworn affidavit to the types of acceptable documentation required to verify ownership of a manufactured home for the purpose of obtaining a homestead exemption. The sworn affidavit would be required to state that the applicant is the owner of the manufactured home, the seller of the manufactured home did not provide the applicant with a purchase contract, and the applicant could not locate the seller after making a good faith effort.

The bill would also clarify that an appraisal district may rely on the computer records of the Texas Department of Housing and Community Affairs (TDHCA) to verify an applicant's ownership of a manufactured home and that if the appraisal district makes this verification an applicant for a homestead exemption on a manufactured home is not required to submit the ownership documentation that would otherwise be required. The bill would require that for the land on which a manufactured home is located to qualify as part of the residence homestead the land must be owned by one or more individuals including the applicant, the applicant must occupy the manufactured home as his or her principal residence, and the applicant must own the mobile home as demonstrated by TDHCA computer records or owner documentation.

The bill would also amend Section 25.08 of the Tax Code to require the assessor for a taxing unit to apportion on the tax roll a manufactured home homestead exemption on a pro rata basis between land and buildings based on the appraised value of the land and the manufactured home.

The sworn affidavit allowed by the bill in lieu of other kinds of ownership documentation would make it easier for a manufactured home owner to obtain a homestead exemption in situations in which the other kinds of documentation are unavailable. The other changes proposed in the bill are procedural changes and clarifications that would not change taxable values, tax rates, exempt amounts, or any other variable affecting property tax levies. The bill's provisions would not create a significant fiscal impact on units of local government or the state.

The bill would take effect on January 1, 2012.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KKR, SD, SJS