

SENATE AMENDMENTS

2nd Printing

By: Hilderbran

H.B. No. 252

A BILL TO BE ENTITLED

AN ACT

relating to application and eligibility for an exemption from ad valorem taxation of the residence homestead of a person.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.43, Tax Code, is amended by amending Subsections (f) and (j) and adding Subsections (n) and (o) to read as follows:

(f) The comptroller, in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The form must require an applicant to provide the applicant's name and driver's license number, personal identification certificate number, or social security account number. The comptroller shall include on the forms a notice in English and in Spanish of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The comptroller shall include, on application forms for exemptions that do not have to be claimed annually, a statement explaining that the application need not be made annually and that if the exemption is allowed, the applicant has a duty to notify the chief appraiser when the applicant's entitlement to the exemption ends. In this subsection:

(1) "Driver's license" has the meaning assigned that term by Section 521.001, Transportation Code.

1 (2) "Personal identification certificate" means a
2 certificate issued by the Department of Public Safety under
3 Subchapter E, Chapter 521, Transportation Code.

4 (j) In addition to the items required by Subsection (f), an
5 ~~[An]~~ application for a residence homestead ~~[an]~~ exemption
6 prescribed by the comptroller and authorized by ~~[under]~~ Section
7 11.13 must:

8 (1) list each owner of the residence homestead and the
9 interest of each owner;

10 (2) state that the applicant does not claim an
11 exemption under that section on another residence homestead in this
12 state or claim a residence homestead exemption on a residence
13 homestead outside this state;

14 (3) state that each fact contained in the application
15 is true; ~~[and]~~

16 (4) include a copy of the applicant's driver's license
17 or state-issued personal identification certificate and:

18 (A) a copy of the applicant's vehicle
19 registration receipt; or

20 (B) if the applicant does not own a vehicle, an
21 affidavit to that effect signed by the applicant and a copy of a
22 utility bill for the property subject to the claimed exemption in
23 the applicant's name;

24 (5) state ~~[include a sworn statement]~~ that the
25 applicant has read and understands the notice of the penalties
26 required by Subsection (f); and

27 (6) be signed by the applicant.

1 (n) A chief appraiser may not allow an exemption provided by
2 Section 11.13 unless:

3 (1) the address on the driver's license or
4 state-issued personal identification certificate provided by the
5 applicant under Subsection (j) corresponds to the address on the
6 applicant's vehicle registration receipt or utility bill provided
7 under that subsection; and

8 (2) the address indicated in Subdivision (1)
9 corresponds to the address of the property for which the exemption
10 is claimed.

11 (o) The application form for an exemption authorized by
12 Section 11.13 must require an applicant for an exemption under
13 Subsection (c) or (d) of that section who is not specifically
14 identified on a deed or other appropriate instrument recorded in
15 the applicable real property records as an owner of the residence
16 homestead to provide an affidavit or other compelling evidence
17 establishing the applicant's ownership of an interest in the
18 homestead.

19 SECTION 2. The change in law made by this Act applies only
20 to an application for a residence homestead exemption filed with a
21 chief appraiser on or after the effective date of this Act. An
22 application for a residence homestead exemption filed with a chief
23 appraiser before the effective date of this Act is governed by the
24 law in effect when the application was filed, and the former law is
25 continued in effect for that purpose.

26 SECTION 3. This Act takes effect September 1, 2011.

ADOPTED

MAY 18 2011

Atty Gen
Secretary of the Senate

By: Estes/Hildenbrand

H.B. No. 252

Substitute the following for H.B. No. 252:

By: Orman

C.S. H.B. No. 252

A BILL TO BE ENTITLED

AN ACT

relating to eligibility for an exemption from ad valorem taxation of the residence homestead of a person.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.43, Tax Code, is amended by amending Subsection (j) and adding Subsections (n) and (o) to read as follows:

(j) In addition to the items required by Subsection (f), an
[An] application for a residence homestead [an] exemption
prescribed by the comptroller and authorized by [under] Section
11.13 must:

(1) list each owner of the residence homestead and the interest of each owner;

(2) state that the applicant does not claim an exemption under that section on another residence homestead in this state or claim a residence homestead exemption on a residence homestead outside this state;

(3) state that each fact contained in the application is true; [and]

(4) include a copy of the applicant's driver's license or state-issued personal identification certificate and:

(A) a copy of the applicant's vehicle registration receipt; or

(B) if the applicant does not own a vehicle, an

1 affidavit to that effect signed by the applicant and a copy of a
2 utility bill for the property subject to the claimed exemption in
3 the applicant's name;

4 (5) state [~~include a sworn statement~~] that the
5 applicant has read and understands the notice of the penalties
6 required by Subsection (f); and

7 (6) be signed by the applicant.

8 (n) A chief appraiser may not allow an exemption provided by
9 Section 11.13 unless:

10 (1) the address on the driver's license or
11 state-issued personal identification certificate provided by the
12 applicant under Subsection (j) corresponds to the address on the
13 applicant's vehicle registration receipt or utility bill provided
14 under that subsection; and

15 (2) the address indicated in Subdivision (1)
16 corresponds to the address of the property for which the exemption
17 is claimed.

18 (o) The application form for an exemption authorized by
19 Section 11.13 must require an applicant for an exemption under
20 Subsection (c) or (d) of that section who is not specifically
21 identified on a deed or other appropriate instrument recorded in
22 the applicable real property records as an owner of the residence
23 homestead to provide an affidavit or other compelling evidence
24 establishing the applicant's ownership of an interest in the
25 homestead.

26 SECTION 2. The change in law made by this Act applies only
27 to an application for a residence homestead exemption filed with a

1 chief appraiser on or after the effective date of this Act. An
2 application for a residence homestead exemption filed with a chief
3 appraiser before the effective date of this Act is governed by the
4 law in effect when the application was filed, and the former law is
5 continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2011.

ADOPTED

MAY 18 2011

Leroy Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Wentura*

Amend C.S.H.B. 252 (senate committee printing) as follows:

(1) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 11.432, Tax Code, is amended to read as follows:

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME.

(a) Except as provided by Subsection (a-1), for ~~[For]~~ a manufactured home to qualify as a residence homestead ~~[for an exemption]~~ under Section 11.13, the application for ~~[the]~~ exemption required by Section 11.43 must be accompanied by:

(1) a copy of the statement of ownership and location for the manufactured home issued by the manufactured housing division of the Texas Department of Housing and Community Affairs under Section 1201.207, Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home;

(2) a ~~[or be accompanied by a verified]~~ copy of the purchase contract or payment receipt showing that the applicant is the purchaser of the manufactured home; or

(3) a sworn affidavit by the applicant stating that:

(A) the applicant is the owner of the manufactured home;

(B) the seller of the manufactured home did not provide the applicant with a purchase contract; and

(C) the applicant could not locate the seller after making a good faith effort ~~[, unless a photostatic copy of the current title page for the home is displayed on the computer website of the Texas Department of Housing and Community Affairs].~~

(a-1) An ~~[The]~~ appraisal district may rely upon the computer

1 records of the Texas Department of Housing and Community Affairs to
 2 verify an applicant's ownership of a manufactured home. An
 3 applicant is not required to submit an accompanying document
 4 described by Subsection (a) if the appraisal district verifies the
 5 applicant's ownership under this subsection ~~[determine whether a~~
 6 ~~manufactured home qualifies for an exemption]~~.

7 (b) The land on which a manufactured home is located
 8 qualifies as a residence homestead ~~[for an exemption]~~ under Section
 9 11.13 only if:

10 (1) the land is owned by one or more individuals,
 11 including the applicant ~~[manufactured home qualifies for an~~
 12 ~~exemption as provided by Subsection (a)]~~; [and]

13 (2) the applicant occupies the manufactured home as
 14 the applicant's principal residence; and

15 (3) the applicant demonstrates ownership of the
 16 manufactured home under Subsection (a) or the appraisal district
 17 determines the applicant's ownership under Subsection (a-1)
 18 ~~[manufactured home is listed together with the land on which it is~~
 19 ~~located under Section 25.08]~~.

20 (c) The owner of land that qualifies as a residence
 21 homestead under this section ~~[consumer]~~ is entitled to obtain the
 22 homestead exemptions provided by Section 11.13 and any other
 23 benefit granted under this title to the owner of a residence
 24 homestead regardless of whether the applicant ~~[owner]~~ has elected
 25 to treat the manufactured home as real property or personal
 26 property and regardless of whether the manufactured home is listed
 27 on the tax rolls with the real property to which it is attached or
 28 listed on the tax rolls separately.

29 (d) ~~[(e)]~~ In this section, "manufactured home" has the
 30 meaning assigned by Section 1201.003, Occupations Code.

31 (b) Section 25.08, Tax Code, is amended by adding Subsection

1 (g) to read as follows:

2 (g) The chief appraiser shall apportion a residence
3 homestead exemption for property consisting of land and a
4 manufactured home listed separately on the tax roll on a pro rata
5 basis based on the appraised value of the land and the manufactured
6 home.

7 (c) Section 11.432, Tax Code, as amended by this Act,
8 applies only to an application for a residence homestead exemption
9 filed on or after the effective date of this section. An
10 application filed before the effective date of this section is
11 governed by the law in effect when the application was filed, and
12 that law is continued in effect for that purpose.

13 (d) Section 25.08, Tax Code, as amended by this Act, applies
14 only to an apportionment of a residence homestead exemption for a
15 tax year beginning on or after the effective date of this section.

16 (e) This section takes effect January 1, 2012.

17 (2) In SECTION 2 of the bill, between "Act" and "applies"
18 (page 1, line 58), insert "to Section 11.43, Tax Code,".

19 (3) In SECTION 3 of the bill (page 2, line 2), strike "This
20 Act" and substitute "Except as otherwise provided by this Act, this
21 Act".

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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 Passed 2nd House**

The bill's provision that a homestead exemption applicant claim no other residence homestead exemption in this state or any other state, and that an 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. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.

In addition, 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 amend the Tax Code, regarding property taxation and exemptions.

The bill would amend Chapter 11 to require that an application for a residence homestead exemption as prescribed by the Comptroller, in addition to meeting other requirements in current law, would have to state that the applicant had not claimed another residence homestead exemption in this state or a residence homestead outside of this state. In addition, the applicant would have to submit a copy of the applicant's driver's license or state-issued personal identification certificate; a copy of the applicant's vehicle registration receipt, or if the applicant did not own a vehicle, an affidavit to that effect, and a copy of a utility bill subject to the claimed exemption in the applicant's name; state that the applicant had read and understood the notice of the penalties under the law; and, be signed by the applicant.

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

The application form for a residence homestead exemption would have to require an applicant who was not specifically identified on a deed or other appropriate instrument recorded in the real property records as an owner of the residence homestead to provide an affidavit or other compelling evidence establishing the applicant's ownership of an interest in the homestead.

The bill would amend Section 11.432 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 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 amend Section 25.08 to require the chief appraiser 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 bill's provision that a homestead exemption applicant claim no other residence homestead exemption in this state or any other state, and that an 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. Further, 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 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 addressed 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 sworn affidavit allowed by the bill in lieu of other kinds of manufactured home 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 number of additional homestead exemptions, if any, that would be generated by this provision of the bill is unknown. Consequently the fiscal impact cannot be estimated.

The bill would take effect on September 1, 2011.

Local Government Impact

The bill's provision that a homestead exemption applicant claim no other residence homestead exemption in this state or any other state, and that an 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, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 12, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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.), **Committee Report 2nd House, Substituted**

The bill's provision that a homestead exemption applicant claim no other residence homestead exemption in this state or any other state, and that an 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. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.

In addition, 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 amend Chapter 11 of the Tax Code, regarding property taxation and exemptions.

The bill would require that an application for a residence homestead exemption as prescribed by the Comptroller, in addition to meeting other requirements in current law, would have to state that the applicant had not claimed another residence homestead exemption in this state or a residence homestead outside of this state. In addition, the applicant would have to submit a copy of the applicant's driver's license or state-issued personal identification certificate; a copy of the applicant's vehicle registration receipt, or if the applicant did not own a vehicle, an affidavit to that effect, and a copy of a utility bill subject to the claimed exemption in the applicant's name; state that the applicant had read and understood the notice of the penalties under the law; and, be signed by the applicant.

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

The application form for a residence exemption would have to require an applicant who was not specifically identified on a deed or other appropriate instrument recorded in the real property records as an owner of the residence homestead to provide an affidavit or other compelling evidence establishing the applicant's ownership of an interest in the homestead.

The bill's provision that a homestead exemption applicant claim no other residence homestead exemption in this state or any other state, and that an 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. Further, 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 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 claim no other residence homestead exemption in this state or any other state, and that an 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, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 5, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

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

Passage of the bill would require 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 which could prevent applicants from receiving homestead exemptions to which they are not entitled. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.

In addition, 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 amend Chapter 11 of the Tax Code, regarding property taxation and exemptions.

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 for the property subject to the claimed exemption in the applicant's name. The application would have to be signed by the applicant and state that the applicant does not claim another residence homestead in or outside this state and that the applicant has read and understands the penalty notice.

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. 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 homestead exemption cannot be determined, the fiscal gain from 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 the change would be

reflected 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, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 15, 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.), **Committee Report 1st House, Substituted**

Passage of the bill would require 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 which could prevent applicants from receiving homestead exemptions to which they are not entitled. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.

In addition, 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 amend Chapter 11 of the Tax Code, regarding property taxation and exemptions.

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 for the property subject to the claimed exemption in the applicant's name. The application would have to be signed by the applicant and state that the applicant does not claim another residence homestead in or outside this state and that the applicant has read and understands the penalty notice.

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. 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 homestead exemption cannot be determined, the fiscal gain from 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 the change would be reflected 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.

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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, SJS

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.

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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

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

82ND LEGISLATIVE REGULAR SESSION

March 15, 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.), **Committee Report 1st House, Substituted**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff: JOB, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

82ND LEGISLATIVE REGULAR SESSION

February 24, 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**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff: JOB, KK