

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 6, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3446** by Davis, Yvonne (relating to the administration of ad valorem taxes.),
Committee Report 1st House, Substituted

Passage of the bill would ease the identification and signature requirements for residence homestead exemption applicants which could, in some instances, result in granting residence homestead exemptions that would not be granted under current law. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to prohibit a chief appraiser from:

1. requiring an applicant for a residence homestead exemption to provide any identification other than a drivers license or a state-issued personal identification certificate (with certain exceptions) unless the chief appraiser possesses reasonable evidence that the address listed on the identification is not the applicant's residence homestead;
2. requiring both spouses of a married couple to sign an application for a residence homestead exemption or requiring proof of a statement that an applicant is married to the co-owner of the residence homestead unless the chief appraiser possesses reasonable evidence that the couple is not married; or
3. denying or cancelling an exemption because an individual's driver's license or state-issued personal identification certificate expires after the date the individual applies for or receives the exemption or because an individual's driver's license is a temporary license or limited term license. The bill would define "limited term license".

The bill would amend Chapter 25 of the Tax Code, regarding local property tax appraisal, to provide that the prohibition on posting information regarding the age of a property owner on the Internet does not apply to a non-searchable appraisal roll or tax roll data set available for download only.

The bill would amend Chapter 31 of the Tax Code, regarding property tax collections, to provide that if a person files a written request with the tax collector that a refund of a tax imposed on the person's residence homestead and paid by the person be sent to a particular address, the collector would be required to send the refund to that address. If a person does not file a written request that the refund be sent to a particular address, the collector would be required to send the refund to the person's most recent mailing address as reflected in the records of the collector.

The bill's provisions that would ease the identification and signature requirements for residence homestead exemption applicants could, in some instances, result in granting residence homestead

exemptions that would not be granted under current law, creating a cost to local taxing units and the state through the school finance formulas. The number and value of these additional homestead exemptions is unknown; consequently, the cost cannot be estimated.

The bill would take effect September 1, 2017.

Local Government Impact

Passage of the bill would ease the identification and signature requirements for residence homestead exemption applicants which could, in some instances, result in granting residence homestead exemptions that would not be granted under current law. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS