

- SUBJECT:** Protecting confidentiality of tax exemption applications and creating a penalty
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 9 ayes — Marchant, Madden, B. Cook, J. Davis, Elkins, Gattis, Goodman, Lewis, Villarreal
- 0 nays
- WITNESSES:** For — Michael Amezquita and Jim Robinson, Texas Association of Appraisal Districts; Jerry Hooper; Foy Mitchell Jr., Metropolitan Council of Appraisal Districts
- Against — Donnis Baggett, Texas Daily Newspaper Association and Texas Press Association; (*Registered, but did not testify.*) Suzy Woodford, Common Cause
- BACKGROUND:** Tax Code, sec 11.13 provides for a county tax exemption of \$3,000 of the assessed value of a residential homestead and a school tax exemption of \$15,000 of the assessed value, plus an additional \$10,000 exemption for a homeowner who is disabled or 65 years or older.
- Tax Code, sec. 11.43 requires that a homeowner claiming a residential homestead exemption as of January 1 of a tax year must file a completed exemption form before May 1 of that year. Applicants must furnish their names as well as a driver's license number or personal identification certificate number issued by the Department of Public Safety or a social security number.
- Government Code, chapter 552, provides for the public access to records maintained by state and local government.
- DIGEST:** CSHB 500 would add sec. 11.48 to Tax Code, Chapter 11, prohibiting disclosure of any driver's license, personal identification certificate number, or social security number provided as part of an exemption application to a chief tax appraiser for a residential homestead. If an employee of the appraisal district, or other person who obtained the information legally, disclosed this

information to an unauthorized party, that person would commit a class B misdemeanor (punishable by up to 180 days in jail and/or a maximum fine of \$2,000).

The bill would permit disclosure of the information in response to the following:

- a subpoena;
- a request by the applicant or someone authorized in writing to represent the applicant;
- a written request by the Comptroller's Office;
- a judicial or administrative proceeding related to property taxation of the homestead; or
- for the preparation or maintenance of public documents or records by the appraiser's office.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 500 would prevent disclosure of sensitive of personal information that could lead to identify theft. Identity theft is the fastest growing crime in the United States. The average loss per victim is \$17,000, and Texas has the second highest number of identity theft cases, with more than 14,000 reported last year. Current law provides for confidentiality for sales information, income and expense information, and personal data such as driver's licenses. Personal identification certificate numbers and social security numbers similarly should be protected.

Senior citizens constitute one of the largest groups of applicants for exemptions and are particularly vulnerable to scams and fraud of all sorts. This bill would help ensure that personal identifying information of tax exemption applicants did not fall into the hands of identity thieves, protecting the privacy and pocketbooks of senior citizens and the general public alike.

CSHB 500 would provide adequate access to information both to the applicant for the residential homestead exemption and to governmental agencies that had a legitimate need for these sensitive data, while imposing sufficient penalties to deter the unauthorized release of this information.

OPPONENTS SAY: Property tax records should be as transparent as possible to ensure equity in the tax appraisal process. Documents collected and maintained at public expense should be open to all citizens. Some personal information is needed to differentiate people with common names and determine whether the appraisal process is fair and equitable to all taxpayers.

NOTES: The committee substitute differs from the bill as introduced by removing a provision that would have prohibited disclosure of the full application for a property tax exemption. The substitute also deleted a provision that would have authorized disclosure of confidential information in a statistical form that would not identify a specific property or an individual property owner.