

BILL ANALYSIS

Senate Research Center
82R3884 TJB-F

S.B. 915
By: Wentworth
Intergovernmental Relations
3/24/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current Texas law imposes burdensome restrictions on the ability of homeowners with manufactured homes to qualify for a homestead tax exemption on their home and land. These restrictions make it very difficult for many homeowners with manufactured homes to apply for and receive important property tax protections available to other homeowners, such as the 10 percent homestead appraisal cap, as well as the homestead tax ceiling and deferral rights available to elderly and disabled homeowners.

S.B. 915 removes these barriers by simplifying the homestead tax exemption application process for homeowners with manufactured homes, thereby making the application process more equitably aligned with the process currently available for traditional homeowners.

As proposed, S.B. 915 amends current law relating to the ad valorem taxation of manufactured homes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.432, Tax Code, as follows:

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME. (a) Requires that the application for exemption required by Section 11.43 (Application for Exemption), except as provided by Subsection (a-1), for a manufactured home to qualify as a residence homestead, rather than to qualify for an exemption, under Section 11.13 (Residence Homestead), 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 (TDHCA) under Section 1201.207 (Issuance of Statement of Ownership and Location), Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home;

(2) a copy, rather than 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.

Deletes existing text requiring that the application be accompanied by a copy of the purchase contract unless a photostatic copy of the current title page for the home is displayed on the computer website of TDHCA.

(a-1) Creates this subsection from existing text. Authorizes an appraisal district to rely upon the computer records of TDHCA to verify an applicant's ownership of a manufactured home. Provides that an applicant is not required to submit an accompanying document described by Subsection (a) if the appraisal district verifies the applicant's ownership under this subsection. Deletes existing text authorizing the appraisal district to rely on the computer records of TDHCA to determine whether a manufactured home qualifies for an exemption.

(b) Provides that the land on which a manufactured home is located qualifies as a residence homestead under Section 11.13 only if:

- (1) the land is owned by one or more individuals, including the applicant;
- (2) the applicant occupies the manufactured home as the applicant's principal residence; and
- (3) the applicant demonstrates ownership of the manufactured home under Subsection (a) or the appraisal district determines the applicant's ownership under Subsection (a-1).

Deletes existing text providing that the land on which a manufactured home is located qualifies for an exemption under Section 11.13 only if the manufactured home qualifies for an exemption as provided by Subsection (a) and the manufactured home is listed together with the land on which it is located under Section 25.08 (Improvements).

(c) Entitles the owner of land that qualifies as a residence homestead under this section, rather than entitles the consumer, to obtain the homestead exemptions provided by Section 11.13 and any other benefit granted under this title to the owner of a residence homestead regardless of whether the applicant, rather than the owner, has elected to treat the manufactured home as real property or personal property and regardless of whether the manufactured home is listed on the tax rolls with the real property to which it is attached or listed on the tax rolls separately.

(d) Redesignates existing Subsection (c) as Subsection (d). Makes no further changes.

SECTION 2. Amends Section 25.08, Tax Code, by adding Subsection (g), as follows:

(g) Requires the assessor for a taxing unit to apportion a non-percentage-based residence homestead exemption for property consisting of land and a manufactured home listed separately on the tax roll on a pro rata basis based on the appraised value of the land and the manufactured home.

SECTION 3. (a) Makes application of Section 11.432, Tax Code, as amended by this Act, prospective.

(b) Makes application of 25.08, Tax Code, as amended by this Act, prospective.

SECTION 4. Effective date: January 1, 2012.