

HOW TO BECOME A REAL TEXAN

Compiled by **ESCAPEESRVClub**®



“Your domicile is not that RV tooling down the highways and byways of America. Your domicile is fixed—that means it doesn’t move.”



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Direct Questions Regarding this Booklet to:

ESCAPEESRVClub[®]

100 Rainbow Drive

Livingston, TX 77351-9300

Fax: 936-327-4388 • 936-327-8873 or

888-757-2582

www.escapees.com

DOMICILE: ONE'S LEGAL RESIDENCE

By Carol A. Richards, Esq. #2494

If you are blessed with retirement, your home sold, and full-timing, you face a problem most working people don't face. Which state is your state of domicile? (Domicile, in legalese, means the one state you call home.) The good news is that you may pick from 50 states. The bad news is that you must take the negative aspects about that state along with the benefits (like getting married). The marriage analogy is apropos because domicile, like a spouse, is one per person at a time. Unlike marriage, however, everyone has a domicile, but not everyone has a spouse.

If you are newly full-timing and in your wallet you can find references to more than one state, e.g., driver license from state A, vehicle registration from state B, mailing address in state C, insurance in state D, voter registration in state E, etc., you have a problem that should be addressed immediately.

Penalties and fines levied by states are so onerous that no one should even consider attempting to use several states for their individual benefits. The highest judgment heard about to date: \$123,000 plus two years of community service. Two years of community service puts a crimp in the full-timing lifestyle.

Domicile appears to be a constant issue with Escapees RV Club members who travel extensively. It stems from the fact that, where once we were affixed to our houses and our jobs, now we are free of both and free to travel. We feel like escapees in the truest sense of the word—no ties, no city, no state, etc.

The law doesn't seem to like that definition, but the law seldom has a good, solid definition we can use for all circumstances. So, we are left wondering if what we are doing is right or wrong.

Some of us who want clear consciences worry that we've left a stone unturned, and something will pop up and bite us in the part that went over the fence last. Others will try every loophole in an effort to wring the last cent out of state #1 before transferring to state #2. Either way it would be helpful to understand if something needs to be done, what needs to be done, and when it needs to be done.

This column cannot go into great detail or into the laws of each state.

Anything written here should be checked out with your attorney with regard to any concern you have and the specific state law applicable.

Escapees' usual concerns are vehicle registration, driver license, auto insurance, health insurance, health care, mail, voting, and probate.

Auto Insurance

Auto insurance also usually needs a bona fide address in the state. A mail service address may or may not suffice. If your insurance agent says it's okay to use a mail service address, be sure you have a signed note in your files indicating that they know you are not garaged in the state but that they assure you that it is okay to give a mail service address as your own.

When there is a large claim, insurance companies may use the clause over your signature to exclude you from coverage. It usually says something like "I swear or affirm that the above information is true to the best of my knowledge." Then there's a note that if any information is supplied falsely, the insurance policy is void.

Direct-deposit Refund Checks

You may be getting ready to travel and sending your 1040 from your home, e.g., in Wisconsin in January, but you will get a big refund, and you want the check to come to you at your son's home in Alabama, where you will be for the next few months, so you use that address. Alabama will get the information about your income, name, social security numbers, etc., and Alabama may contact you. A better solution would be to use direct deposit into your bank and use your correct address on your return.

Does this information make a no-income-tax state like Alaska, Nevada, South Dakota, Texas, Washington, Wyoming, or a limited-income-tax state like Florida, New Hampshire, or Tennessee, with their taxes on only special income such as interest and dividends, a better choice for your domicile? While those states are attractive because of their no or limited tax, be sure you check all the various factors that may be important in your domicile state. For example, the states that tax interest and dividends may be the worst states for many Escapees who live on large interest and dividend income and the best states for those who have large retirement pensions but no interest or dividends.

But the IRS can require (and they certainly do strongly encourage) you to use your own home address on the return. What is your home address for full-timers? It is your permanent mailing address as opposed to your address for this week, month, or summer. It has long been standard policy that the IRS does not permit the use of post office box addresses unless there is no mail delivery to your street address.

Driver License

The driver license also usually needs a bona fide address in the issuing state and county. A mail service address may or may not suffice. In the case of using the

Escapees Mail Service address to obtain a Texas driver license, it does. We've checked that out with the state agency.

Estate or Inheritance Tax

Estate tax is paid by the estate and deducted before the heirs inherit. Some states have an exemption for spouses. The federal estate tax, presently based on estates valued at more than \$1,000,000, may be in addition to the state estate tax, or the state estate tax can be a "pick up" tax, which will not increase the federal estate tax. Inheritance tax is paid by the heirs on their inheritance. You may leave your estate to your four children in four states, and some will pay an inheritance tax and others will not. This, for most of us, is one of the least significant decisions in changing domicile.

Health Insurance and Health Care

Will your health insurance cover you when you are traveling for an extended period of time? Will it cover you if you "move" out of the area? Be sure you check with your insurance agent or your policy. Health care will be available as you travel in this country, but if you are with an HMO, or even a local PPO, your charges may be much higher. Emergency health care is nearly always extended under your plan when you are traveling away from "home," but routine health care may not be extended except in your home area. Here read "home" as "domicile." One of the most difficult problems may be your insurance program. If it is an HMO tied to a certain geographical area, you have a major problem in changing domicile. If you can't drop the HMO and get other insurance, you need to consider remaining domiciled in your HMO area. It doesn't stop you from traveling, but it stops your change of domicile. If you have a medical emergency while traveling, your HMO will pay for emergency medical care anywhere, but you won't be able to have a personal physician, a pharmacy, etc., away from the HMO area.

Income Tax

All of us who meet the minimum income requirements will file 1040 tax returns with the Internal Revenue Service by April 15 each year. They don't care if you move to California or Texas. However, be sure that, if you are to receive a refund, you file with an address where the refund will reach you or be held safely for you. Also, the address you use may determine where an audit will be conducted. If there is an audit for which you need to be present, would North Dakota in January be your choice?

Finally, some states have income tax filing requirements, and some do not. Even if your domiciliary state has a state income tax, you may be under the

income level required to file, or your income may come from a source that is not taxed in that state. Your state taxes will indicate if this state is your full-time state of residence, part-time residence, or nonresidence. You may be required to file taxes in a state where you are not a resident (or domiciliary) if you work in that state or have income from rental property in that state.

Jury Duty

You may receive a jury-duty summons. In some states, the jury pool is based on driver licenses, and in others it is based on voter registration. Since serving on a jury is not only a privilege but also a duty of citizenship, you may be able to RV back to the area and spend a few days or weeks in civic-minded service to your fellow citizen.

Mature, good, and fair-minded people are needed for fair and impartial juries to be adequate judges of the law. You may be more willing to RV back to the sunbelt than the snow-and-ice belt, or you may be more willing to fly back to a state where you can stay with family and friends while you serve on the jury. If you are away and the trip would be a major difficulty, contact the judge if you receive a jury summons. Judges often grant exemptions during your absence from the state.

Mail

There are many mail services available that will send your mail periodically. This may be a logistical problem but generally is not a legal problem. However, your mail address may be just one of the indicators of your domicile.

Probate

Probate fees and time will vary considerably from one jurisdiction to another. Probate fees may or may not be based on the inventory of the estate. The fees may include such things as filing the probate with the court and retaining an attorney to handle the probate.

The time involved in probate may be based, in part, on the complexity of the estate and the cooperation and agreement of the heirs. If the estate, whether large or small, is primarily in financial investments, the handling of that estate is relatively easy compared to an estate with real property in several states, business interests, partnerships, or collections (such as jewelry, antiques, stamps, or coins).

Because we've been reviewing the legal issues related to a domiciliary state, we haven't even touched such things as climate, shopping, crime rates, cultural events, employment, political atmosphere, or places of worship. This is a very special way of determining your domiciliary state that is more readily available

to full-time RVers than to the average citizen. Your state of domicile may be a state in which you spend little time while you travel, exploring and visiting the vast world at your accelerator. The issues that are important to your son, sister, or neighbor are not necessarily the same ones that are important to you, and the ones vital to you last year may not be significant now.

Property Tax

Two general aspects are present here: (1) real property or realty (such as land) and (2) personal property or personalty. If you are considering changing your domiciliary state, check the property tax rates. You may find that the inexpensive little cottage for your retirement will cost thousands annually in property tax.

Some states have a personal property tax; some don't. Even if you have no land, your vehicles, RV furnishings, etc., constitute personalty.

Sales Tax

Sales tax may impact you in two ways: (1) You will pay sales tax wherever you purchase items at the store, whether or not you are domiciled in the state, and (2) you will pay sales tax (also called use tax) when you register an item on which you have not already paid an equal amount of sales tax when purchased.

Most often, the second item affects vehicle registration simply because it is caught at that time, but the law applies to all purchases. So, if you purchase solar panels in a no-sales-tax state and bring them into your domiciliary state that has a sales tax, you owe the applicable sales tax to your domiciliary state.

Call the state department of revenue and ask for use-tax forms. They usually are filed quarterly. If you purchase consumables that are consumed prior to your return to your domiciliary state, there is usually no use tax due.

Vehicle Registration:

Vehicle registration usually needs a bona fide address in the issuing state and county. A mail service address may or may not suffice. In the case of the Escapees Mail Service, it does. We've checked that out with the local tax assessor/collector who issues vehicle registration plates, and a Rainbow Drive address constitutes a legitimate address for vehicle registration in the State of Texas.

However, other states may have different provisions. For example, the Oregon vehicle registration application statement notes the possibility of a jail term of one year and/or a fine of \$2,500 for "any false statement."

Voting

Naturally, you'll want to vote for the senators and representatives for the district in which you are involved and interested. If you will be traveling ex-

tensively, you may need to vote by absentee ballot. Above all, you will need to be registered in the precinct/state where you will vote. You can't just drop in on West Virginia's election booths with your California voter card. Your voter registration may be just another one of the indicators of your domicile. (See page 10.)

Recap

What is the most important of all the indices of domicile? Intent. If you stay in Texas only rarely and briefly while on vacation and certainly don't intend to be a Texan, then just visiting there doesn't make you a Texan. But if you intend to be a Texan and, because of family illness, etc., can get back to Texas only rarely, does that eliminate your Texas domicile? No.

Most important is intent, but if you mentally intend and then do nothing about it, your intent was not very real or important to you. So we couple intent with actions. What actions did you take after you formed an intent? If you bought a house in Texas, you certainly took action that demonstrated your intent. If you rented an apartment, or a room, or leased an RV lot, you also demonstrated your intent. If you registered your vehicles, registered to vote, applied for a Texas driver license, had your medical files sent to your new Texas doctor, had your legal documents sent to your Texas attorney, joined a church or synagogue, joined the local library, that certainly looks like you are acting on your intent. If one of those items is missing, e.g., you didn't join a church or synagogue, does that invalidate your choice of domicile? No, of course not. Not everyone joins a church or synagogue; even regular attendees may attend without joining. In order to do the things on that list, you'll need to have an address in the state of your choice. Usually, it's your house or apartment address, but for full-timers, it's usually a mail service address, whether that mail service is provided by a professional organization or by your family members.

There is no such thing as "no domicile." You may have no place of residence except your RV after you sell your house or give up your apartment, and you may have no emotional allegiance to any state, but, according to law, you retain your old domicile until you affirmatively make the effort to select a new domicile. So, if you come from a heavy taxing state, you won't want to retain by default that old domicile with its heavy taxes. You want to select your best choice for a new state of domicile and then use it wisely.

Your domicile is not that RV tooling down the highways and byways of America. Your domicile is fixed—that means it doesn't move. Your domicile is permanent—that means it is constant. It can change, but it doesn't change daily. It takes some effort to change.

Strong recommendation: Get your act together. Once you decide on a state and an address, move everything—repeat, everything—into that state with that address. Do not try to get by with mixing states, taking the best of state A and the best of state B. That does not demonstrate your intent to choose a new domicile; it demonstrates your intent to defraud state A of the things you have in state B, and vice versa. There is no defense for any claims the states may have against you in that situation.

Special note: A mail-forwarding service is just that—it is not in business to help RVers avoid taxes, etc. However, for those who have a legitimate intent to be a Texas resident, the Escapees Mail Service may be used as a legal address.

INSURANCE SOURCES

Insurance for Full-time RVers

- ★ **Foremost TravelSure Program**
PO Box 3357, Dept 337
Grand Rapids, MI 49501-3357
800-262-0170
- ★ **BancorpSouth Insurance Service, Inc.**
100 Rainbow Drive
Livingston, TX 77351
800-736-5622
escapees@bxsi.com
www.bxs-ins.com/escapees
- ★ **Poliseek Insurance**
PO Box 6500
Artesia, CA 90702
800-449-8943

Other Specialized Insurance

- ★ **Friesen-Strain Insurance**
Blue Cross/Blue Shield
5028 Champions Drive
Lufkin, TX 75901
800-829-3948
- ★ **Coach-Net Road Service**
130 E. John Carpenter Frwy
Irving, TX 75062-2708
888-680-7449
800-829-3948



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VEHICLE REGISTRATION AND DRIVER LICENSE INFORMATION FOR POLK COUNTY, TEXAS

Call the Polk County tax assessor's office at 936-327-6801, ask for the auto registration department. Office hours are Monday through Friday, 8:00 a.m. to 4:30 p.m. Central Standard Time.

Explain exactly what type of vehicle(s) you will be registering and find out what paperwork you will need. When you are told that you need proof of insurance, your out-of-state insurance policy should be sufficient if it meets or exceeds Texas's minimum requirements. Please allow at least 72 hours for processing application mail-out requests.

A photograph of your motorhome is required. You can take a snapshot or simply use a picture printed in the manufacturer's brochure.

If you need a weight certificate for your trailer or motorhome, you can go to Red Barn Lumber Company on State Highway 146. From Rainbow's End, head north toward Livingston on 146 for about two miles. Red Barn will be on the right side of the highway. If you have any questions, their number is 936-328-3111. The charge for weighing should be about \$10.00.

The tax office will accept the manufacturer's claimed dry weight printed in a brochure or on your paperwork!

Next, you will need an inspection for each of your vehicles. There are several places that do RV vehicle inspections. (See the map on page 10.) For a trailer and tow vehicle, the charge should be under \$30. Proof of insurance will be required. If your vehicle is not registered in the State of Texas, a title, registration, and proof of insurance will be required.

When you have all of your documents together (including your vehicle titles, etc.), go to the tax assessor's office located on Business 59/Washington St. at W. Polk St. (See office hours above.) This is where you will get your Texas license plates. You may register to vote at this time. (See page 10.) This office also issues handicapped parking placards and license plates. If registering by mail, there is a 15-day processing time required.

The Texas Department of Motor Vehicles requires that all of your vehicles be registered in the State of Texas in order to obtain a Texas driver license.

Next, you may get your Texas driver license. This is at the Texas Department of Motor Vehicles, which is on Business 59 about one mile north of the tax assessor's office. The Texas Department of Motor Vehicles is on the left, directly beside the jail. The office hours are Monday through Friday, 8 a.m. to 12 noon and 1:15 p.m. to 5 p.m. You will surrender a valid out-of-state license, take a vision test, and pay \$25 per license. It will take approximately 30 days to get your new license in the mail, but they will issue you a temporary one. You will need to show proof of your social security number, proof of vehicle registration, and proof of insurance.

Now, with all of this documentation in hand, you can contact your insurance company and change your vehicle insurance to Texas.

Remember, Escapees RV Club endorses full-timers insurance plans from both Foremost TravelSure and Poliseek Insurance.

This information was correct as of March 2011. If you encounter a discrepancy or need further assistance, please inform our office at 888-757-2582. Thank you!

Special note: Before requesting any paperwork for registering or licensing your vehicle or for obtaining a driver license, you must have a Polk County mailing address.

POINTS TO REMEMBER ABOUT REGISTERING AND LICENSING IN TEXAS

1. The manufacturer's brochure (for motorhomes and travel trailers) may be used for the photo and dry-weight requirements at the tax office. Remember, a photo is required for motorhomes only.
2. While the vehicle registration office does not require certain items, the DMV is more stringent. For example:
 - A. Members will not be asked for proof of SSN at the vehicle registration office but will be at the DMV.
 - B. The vehicle registration office doesn't care what vehicles a member registers in Texas, but the DMV wants members to register ALL vehicles.
 - C. Members may simply state that they are Escapees at the vehicle registration office, but the DMV will probably want proof of address such as their mail service card.
3. Annual renewals are sent from Austin as a courtesy (they really are not legally required to do so). However, if a member does NOT receive a renewal notice, they can simply call the tax office and find out the correct fees and send them in. There is a 20 percent late fee for expired vehicles unless they have not been on the road.

4. Members registering by mail will receive special documents that bypass inspections until they enter the state, but they should get vehicles inspected as soon as they cross the border to avoid being stopped by law enforcement.

Special Note: Before requesting any paperwork for registering or licensing your vehicle in Livingston, or for obtaining a driver's license, you must have a Polk County mailing address. Visit **www.dot.state.tx.us**.

REGISTER TO VOTE

Once you decide to make Livingston, Texas, your domicile, you may want to register to vote.

1. You may register to vote at the same time and place where you get your Texas driver license without filling out another form. You may also register using a special form at the tax office when you register your vehicle.
2. The office of the county clerk in the county courthouse will explain the process of voting. She will also confirm whether your name was entered on the computerized registered-voter rolls and provide voter registration forms and/or absentee ballot application forms.
3. No pre-election information is mailed to registered voters from the county clerk's office. However, *Escapees* publishes upcoming elections in the *Forum*. It is then up to each voter to gather information on the candidates. This may be done by contacting the party headquarters, subscribing to the local paper, or checking various Website resources.
4. General voting information:
 - A. Party affiliation is not required for voter registration, but in a primary election one votes only for a single party's entire slate of candidates for office.
 - B. Primary elections and occasional local issues are held the first Tuesday in March.
 - C. General elections are held the first Tuesday after the first Monday in November.
 - D. The absentee ballot process is complicated.
 1. An absentee ballot application may be requested at any time from the county clerk's office, by phone or mail, allowing time to meet the necessary deadlines.
 2. Completed absentee ballot application forms can be received in the county clerk's office only sixty (60) days or less prior to an election.
 3. You must fill out the application completely, including the reason you are requesting an absentee ballot and an address to send the ballot to.
 - a. If you checked the "age 65 or over" box, the ballot can be mailed to your legal address in Polk County. No exceptions.

- b. If you do not check the “age 65 or over” box, you may have your ballot mailed to any address outside of Polk County.
4. After completing the absentee ballot, it must be in the registrar’s office no later than seven (7) days prior to the election day.

MOST COMMONLY ASKED QUESTIONS

1. **Can I register my vehicles by mail?**

Yes. Contact the Polk County tax assessor/collector’s office for the necessary forms and fees.

2. **When should I get my vehicle inspected?**

Texas does not require that your vehicle have the annual safety inspection until it is physically in the state. Inspections may be done in any county and should be done immediately upon entering the state.

3. **Can I renew my registration by mail?**

Yes. The state will mail you a renewal notice six weeks prior to the expiration of your sticker. Instructions on returning it by mail will be included.

4. **Can I renew my registration in any Texas county?**

No. You must renew in the county in which you are registered.

5. **Can you mail my paperwork to any address I request?**

Yes, as long as this is a temporary address.

6. **What is required for me to be considered a Texas resident?**

If you have the intention to become a Texan and establish a permanent address in Texas, you must obtain Texas registration for your vehicles and a Texas driver license. You might also want to register to vote and join local organizations, churches, etc.

7. **How long after I register my vehicles do I have to get my driver license?**

30 days.

8. **What will be sufficient to verify the weight of my motorhome or trailer?**

A copy of the manufacturer’s brochure, a weight certificate, a letter on a dealer’s or manufacturer’s letterhead stating weight, or a photograph of the sticker on the vehicle. If dry weight is shown on your current title, that will also be acceptable.

9. **Does Texas charge a personal property tax on vehicles?**

Not unless they are for commercial use.

10. **Does any of the paperwork have to be notarized?**

No.

Most Commonly Asked Questions continued...

11. Can you fax the paperwork to me?

No, your forms must come from the county office.

12. What is the \$10.00 local fee?

This is a road and bridge tax that each county charges to help maintain the roads and bridges in that county.

13. Do I have to pay the \$90.00 new-resident fee on each vehicle I own?

Yes. This is a one-time fee charged for every vehicle coming in from out of state.

14. What is the sales tax percentage in Texas?

The sales tax is 6.25 percent on the difference between the base sales price and the trade-in.

Notes: _____

ESCAPEES Mail Service



*Service is our name and our
Service is all about **YOU!***



Looking for a mail-forwarding service that works for YOU?

Tired of dealing with the other guys who don't understand your unique needs as an RVer?

Call or visit us today!
800-231-9896
www.escapees.com

Escapees Mail Service
100 Rainbow Drive
Livingston, Texas 77351

Receiving, sorting, and sending important mail to you is a big responsibility—it's a lot to ask of a family member or friend. We have the perfect solution! Established in 1985, the Escapees Mail Service is the largest licensed commercial mail-receiving agency in the U.S. Escapees Mail Service is designed specifically to meet the needs of traveling RVers. We will hold your mail as long as you need, then forward it—where, how, and when you want it sent.

Compare **Escapees Mail Service** to the other guys

Services	Escapees Mail Service	The Other Guys
Annual fee	\$85 - \$125	\$120-254
Licensed and insured	Yes	Maybe
Flexible mail-out schedule	Yes	No
Unlimited number of mailings	Yes	No
Carrier choices for sending mail	Yes	Maybe
Customer support by phone, e-mail, online or fax	Yes	Maybe
Manage your account by phone, e-mail, online or fax	Yes	No
Over 20,000 satisfied customers	Yes	No

Service with a personal touch! Let the professionals handle your mail.

Escapees Mail Service is a membership benefit of the Escapees RV Club.

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ESCAPEESRVClub®
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