

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 12, 2003

**TO:** Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HJR16** by Brown, Fred (Proposing a constitutional amendment to authorize a county or a city or town to establish an ad valorem tax freeze on residence homesteads of the elderly and their spouses.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HJR16, As Introduced: a negative impact of (\$85,275) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$85,275)
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain/ (Loss) from Cities	Probable Revenue Gain/ (Loss) from Counties
2004	(\$85,275)	\$0	\$0
2005	\$0	(\$9,853,000)	(\$5,646,000)
2006	\$0	(\$10,444,000)	(\$5,985,000)
2007	\$0	(\$11,071,000)	(\$6,344,000)
2008	\$0	(\$11,735,000)	(\$6,725,000)

Fiscal Analysis

The resolution would propose an amendment to authorize counties, cities, and towns to adopt a property tax limitation for persons qualified for the 65-and-over residence homestead exemption. The limitation could be adopted by a commissioner's court or a city council or through an election triggered by petition of at least five percent of the registered voters in a city or county. Once adopted, a city or county could not repeal or rescind the limitation.

The proposed amendment would be submitted to voters at an election to be held November 4, 2003.

**Methodology**

It is assumed that all cities and counties would adopt the proposed limitation in the 2004 tax year following adoption of the proposed amendment.

The cost to the state for publication of the resolution is \$85,275.

**Local Government Impact**

The fiscal impact to units of local government are shown in the above tables.

**Source Agencies:** 304 Comptroller Of Public Accounts

**LBB Staff:** JK, JO, SD, WP, DLBe