

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATURE 3rd CALLED SESSION - 2006

May 1, 2006

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HJR26 by Berman (Proposing a constitutional amendment to reduce the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homestead of an elderly or disabled person in proportion to any reduction in the rate of the tax imposed for those purposes.), **As Introduced**

The impact of passage of this bill on the state would depend on the future actions of the Legislature and school districts in adopting tax rates. Therefore, the fiscal impact on the state government, other than the cost of publication, cannot be estimated.

The cost to the state for publication of the resolution is \$99,767.

The resolution would propose an amendment to Article VIII of the Texas Constitution to reduce the school property tax limitation on the residence homesteads of 65-and-over and disabled homestead owners under certain circumstances.

If school district property tax rates decreased from the preceding year, homestead owners subject to the limitation would have their limitation reduced for the current and subsequent years in proportion to the reduction in the tax rate.

The change in the Texas Constitution would take effect January 1, 2007, subject to adoption of the proposed amendment at the November 6, 2006 general election.

Local Government Impact

The impact of passage of this bill on units of local government would depend on the future actions of the Legislature and school districts in adopting tax rates. Therefore, the fiscal impact on units of local government cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, SJS