

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2087 by Hill (Relating to the holding by a county, municipality, or junior college district of a petition-initiated election on whether to establish a limitation on increases in the amount of ad valorem taxes imposed by the county, municipality, or junior college district on residence homesteads of the elderly or disabled.), **As Engrossed**

<p>No fiscal implication to the State is anticipated.</p>

The bill would amend the Tax Code to restrict the frequency of which a county, municipality, or junior college district may conduct an election to impose a limitation on increases in ad valorem taxes imposed by the entity on the residence homestead of persons who are age 65 or older or who are disabled. If a county, municipality, or junior college district has held at least two elections in any 36-month period, each of which was called by a petition, the governmental entity would be restricted regarding conducting another election for that purpose until the third anniversary of the previous election.

Local Government Impact

A county, municipality, or junior college district that does not already have a limitation on ad valorem taxes imposed on residence homesteads of the elderly and disabled, that has held two or more elections on the issue within the past three years, that may receive a petition for an election in 2008, and that would choose not to initiate a tax freeze by official action, would experience a savings in special election costs by not conducting a special election. In addition, the governmental entity would continue to receive the same level of revenue through ad valorem taxes and any subsequent increases based on property values, that would be limited and would no longer increase with increased appraisals if a vote would otherwise have placed a limit on residence homesteads of the elderly and disabled.

The fiscal impact would vary by applicable governmental entity depending on the number of residence homesteads that would be affected.

Source Agencies:

LBB Staff: JOB, CT, DB