

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HJR40 by Hochberg (Proposing a constitutional amendment authorizing the legislature to provide that the maximum appraised value of a residence homestead for ad valorem taxation is limited to the lesser of the most recent market value of the residence homestead as determined by the appraisal entity or 110 percent, or a greater percentage, of the appraised value of the residence homestead for the preceding tax year.), **As Engrossed**

No significant fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The resolution would propose an amendment to Article VIII of the Texas Constitution to authorize the Legislature to limit the increase in the appraised value of homesteads to the lesser of the most recent market value of the residence as determined by the appraisal entity or 110 percent, or a greater percentage of appraised value of the residence homestead for the preceding tax year.

Current law limits homesteads to a 10 percent, or a greater percentage, annual increase multiplied by the number of years since the last reappraisal of the property.

The proposed amendment would be submitted to voters at an election to be held November 6, 2007.

Adoption of the proposed amendment alone would have no fiscal impact on the state. Any loss of revenue would be attributable to the corresponding enabling legislation.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT