

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 17, 2007

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

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

IN RE: HJR96 by Guillen (Proposing a constitutional amendment to authorize a political subdivision to establish a limitation on the total amount of ad valorem taxes that may be imposed by the political subdivision on the residence homestead of an eligible person who is a member of a reserve component of the United States armed forces and is ordered to active military duty.),
As Introduced

No 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 taxing units to adopt a property tax limitation on the homes of persons serving on active duty in the United States armed forces who are members of a reserve unit of the armed forces of the United States, including the National Guard, who are called to active duty and who qualified for a residence homestead exemption.

The limitation could be adopted by a taxing unit's governing body or through an election triggered by petition of at least five percent of the registered voters in a taxing unit. The limitation would be set at the amount of taxes imposed by the taxing unit in the first year after the year in which the limitation was established. The limitation would be allowed to increase to reflect the value of improvements to the homestead.

The Legislature would be allowed to provide for the transfer of the limitation to a different residence homestead and would be authorized to define "active duty."

Adoption of the proposed constitutional amendment alone would not result in revenue losses to local units of government. Any fiscal impact would depend on the corresponding enabling legislation.

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

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, SJS