

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 21, 2007

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

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

IN RE: SJR23 by Nichols (Proposing a constitutional amendment to authorize the legislature to limit the maximum average annual increase in the appraised value of residence homesteads for ad valorem tax purposes to five percent or less and to permit the voters of a county to establish a higher limitation not to exceed 10 percent on increases for residence homesteads in the county.), **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 the commissioners court of a county to call an election in the county to permit voters to determine whether to apply a percentage limitation on increases in appraised value of residence homesteads of not less than five percent.

If a majority of the votes cast at the election favor the establishment of the proposed limitation, the limitation would apply beginning with the tax year following the year in which the election was held and would remain in effect until amended or repealed through a subsequent election held after the 10th year after the year the limitation was approved by the voters.

The proposed amendment alone would have no fiscal impact on the state and units of local government. The potential fiscal impact would depend the wording of enabling legislation and on the number of counties adopting the proposed appraisal limitation percentage of not less than five percent.

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, 701 Central Education Agency

LBB Staff: JOB, CT, SD, SJS