

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 24, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

**IN RE: HB1129** by McReynolds (Relating to the authority of a hospital district to establish an ad valorem tax freeze on the residence homesteads of disabled or elderly persons and their surviving spouses.), **As Introduced**

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| <b>No fiscal implication to the State is anticipated.</b> |
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The bill would add hospital districts to the taxing units that are authorized to establish an ad valorem tax freeze on the residence homesteads of disabled or elderly persons and their surviving spouses. The bill would take effect January 1, 2010, but only if the constitutional amendment to authorize establishment of an ad valorem tax freeze by a hospital district is approved by the voters.

**Local Government Impact**

Fiscal impact as a result of approval by the voters of a constitutional amendment and implementation by a district would depend on the number of homesteads affected and the property tax value of those homesteads, and whether a hospital district would choose to implement the tax freeze. For example, according to the El Paso County Hospital District, if that district were to choose to implement the described tax freeze, the district would experience \$2.8 million in revenue loss over a five-year period from fiscal year 2010 through 2014. However, the Harris County Hospital District already provides a tax freeze as described and would therefore experience no fiscal impact.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB