

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 2009

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

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

IN RE: HJR91 by Sheffield (Proposing a constitutional amendment authorizing the legislature to establish for purposes of ad valorem taxation an initial limit on the appraised value of the residence homestead of a disabled or elderly person that was rehabilitated or constructed as a replacement residence under the federal community development block grant program or a housing rehabilitation program of the Texas Department of Housing and Community Affairs.), **Committee Report 1st House, Substituted**

The resolution alone would have no fiscal implication to the State other than the cost of publication. Any additional fiscal implication would be attributable to the corresponding enabling legislation. The cost to the State for publication of the resolution is \$90,882.

The resolution would propose a constitutional amendment to add new Section 1(j) to Article VIII of the Texas Constitution to authorize the Legislature to limit appraised value increases for disabled persons or persons 65 or older who own a residential homestead rehabilitated or constructed under certain federal and state programs on land that previously qualified as part of a residence homestead.

The limitation would apply in the first year after the homestead was rehabilitated or constructed. The property value in that year would be the lesser of the market value or a percentage not less than 110 percent of the appraised value for the preceding tax year. The limitation would expire on January 1 if none of the current owners owned the property when built under the federal or state programs specified.

The proposed amendment would require the Legislature to protect school districts against all or part of the revenue loss caused by the appraised value limitation.

Adoption of the proposed constitutional amendment alone would have no fiscal impact on the state or units of local government, other than the cost for publication of the resolution. Any additional fiscal impact would depend on the corresponding enabling legislation.

The proposed amendment would be submitted to voters at an election to be held November 3, 2009, and contingent on passage, would take effect on January 1, 2010.

Local Government Impact

The proposed constitutional amendment alone would have no fiscal implication to units of local government. Any fiscal implication would be attributable to the corresponding enabling legislation.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS