

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 18, 2013

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3348 by Rodriguez, Eddie (Relating to the authority of the governing body of a taxing unit to adopt a local option residence homestead exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the appraised value of an individual's residence homestead.), **As Introduced**

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| <p>No fiscal implication to the State is anticipated.</p> |
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The bill would amend Section 11.13(n), of the Tax Code, to allow a taxing unit to adopt a residence homestead property tax exemption of any dollar amount of \$5,000 or more, but a taxing unit would not be permitted to adopt both the exemption of a dollar amount and the optional exemption of up to 20 percent of a residence homestead's appraised value permitted under current law. A taxing unit would be required to adopt the residence homestead exemption before July 1 of the year in which the exemption applies.

The bill would amend Section 42.2516, of the Education Code, and Section 403.302, of the Government Code, to prevent the state from reimbursing the school district revenue lost to the proposed new residence homestead exemption through the school finance formula.

The constitutional amendment that accompanies this bill (HJR 138) is self-enabling. Consequently, the fiscal impact is discussed in the fiscal note for HJR 138.

The bill would take effect on January 1, 2014, contingent on a constitutional amendment.

Local Government Impact

The constitutional amendment that accompanies this bill (HJR 138) is self-enabling. Consequently, the fiscal impact to local taxing units is discussed in the fiscal note for HJR 138.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS