

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 3, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR84 by Bell (Proposing a constitutional amendment to authorize the legislature to limit the maximum appraised value of real property for ad valorem tax purposes to 105 percent or more of the appraised value of the property for the preceding tax year.), **As Introduced**

No fiscal implication to the State is anticipated resulting from adoption of the proposed constitutional amendment alone, other than the cost of publication. Any fiscal impact would depend on the corresponding enabling legislation.

The cost to the state for publication of the resolution is \$108,921.

This resolution would propose a constitutional amendment to Section 1(i), Article VIII, of the Texas Constitution, to authorize the Legislature by general law to reduce the current limitation on the maximum appraised value of a residence homestead for property tax purposes from 110 percent of the preceding tax year's appraised value to 105 percent and to apply the reduced limitation to real property rather than just homesteads.

For non-homestead real property the limitation would take effect in the first tax year after the tax year in which the owner owns the property on January 1.

Note: For homestead property the resolution is not clear on whether the limitation would take effect in the tax year in which the owner acquires the property or in the tax year following the tax year in which the owner acquires the property.

Adoption of the proposed amendment alone would have no fiscal impact on the state. Any loss of revenue would be attributable to the corresponding enabling legislation.

The proposed amendment would be submitted to voters at an election to be held November 5, 2013.

Local Government Impact

Adoption of the proposed constitutional amendment alone would have no fiscal impact on units of local government. Any fiscal impact would depend on the corresponding enabling legislation.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS