

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 20, 2015**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB490** by Rodriguez, Eddie (Relating to the authority of the governing body of a taxing unit that adopts an exemption from ad valorem taxation of a percentage of the appraised value of an individual's residence homestead to set a limit on the dollar amount of the exemption to which an individual is entitled in a tax year.), **As Introduced**

**The fiscal impact of allowing the governing body of a taxing unit that adopts a property tax exemption of a percentage of a homestead's appraised value to set a limit on the dollar amount of the exemption is discussed in the fiscal note for the enabling resolution, HJR 57.**

The bill would amend Tax Code Section 11.13(n), regarding optional property tax exemptions for residence homesteads, to allow the governing body of a taxing unit that adopts a property tax exemption of a percentage of a homestead's appraised value to set a limit on the dollar amount of the exemption. If a homestead's appraised value percentage exceeded the dollar amount, the exemption would be the dollar amount. The governing body would be required to set the limit on the dollar amount of the homestead exemption by official action before July 1st of the tax year in which the limit takes effect.

The constitutional amendment that accompanies this bill (HJR 57) is self-enabling. Consequently, the fiscal impact is discussed in the fiscal note for HJR 57.

The bill would take effect January 1, 2016, contingent on the passage of a constitutional amendment.

**Local Government Impact**

The fiscal impact of allowing the governing body of a taxing unit that adopts a property tax exemption of a percentage of a homestead's appraised value to set a limit on the dollar amount of the exemption is discussed in the fiscal note for the enabling resolution, HJR 57.

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

**LBB Staff:** UP, KK, SD, SJS