

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 7, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR67 by Sheets (proposing a constitutional amendment authorizing the legislature to exempt from ad valorem taxation a percentage of the assessed value of property owned by certain disabled veterans.), **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 \$118,681.

The resolution would propose an amendment to Section 2(b), Article VIII, of the Texas Constitution, to change provisions that permit the Legislature to grant a property tax exemption of varying dollar amounts to an exemption of varying percentage amounts of the assessed value of property owned by a disabled veteran. The percentage would vary according to the veteran's disability rating. The percentage exemption for each disability range would be:

- 1) 7.91 percent for a veteran having a disability rating of at least 10 percent but less than 30 percent, instead of the current exemption amount of \$5,000;
- 2) 11.86 percent for a veteran having a disability rating of at least 30 percent but less than 50 percent, instead of the current exemption amount of \$7,500;
- 3) 15.82 percent for a veteran having a disability rating of at least 50 percent but less than 70 percent, instead of the current exemption amount of \$10,000; and
- 4) 18.98 percent for a veteran having a disability rating of at least 70 percent, instead of the current exemption amount of \$12,000.

The amendment would change the provision that permits the Legislature to grant an exemption of \$12,000 to an exemption of 18.98 percent of the assessed value of a property of a disabled veteran, for a veteran who:

- 1) is 65 years of age or older and has a disability rating of at least 10 percent;
- 2) is totally blind in one or both eyes;
- 3) has lost the use of one or more limbs; or
- 4) is paraplegic.

The proposed amendment, in and of itself, would not create a cost to units of local government or the state as it is permissive and allows the Legislature to enact certain tax provisions by general law. Any cost would be attributable to the implementing legislation (HB 683).

The proposed amendment would be submitted to voters at an election to be held November 3, 2015.

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: UP, KK, SD, SJS