

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: HJR96 by Thompson, Senfronia (Proposing a constitutional amendment authorizing the governing body of certain political subdivisions to adopt a local option residence homestead exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$118,681.

The resolution would propose an amendment to Section 1-b, Article VIII, of the Texas Constitution, to add new Subsection (e-1) to permit the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption of a dollar amount of the property's market value. The minimum amount of the proposed new homestead exemption would be \$5,000 and the exemption would be in addition to any other residence homestead exemption for which the property is qualified. The Legislature by general law would be permitted to prescribe procedures for the administration of the proposed new exemption.

To the extent that the proposed new optional residence homestead exemption of a dollar amount is adopted by taxing units, the resolution would create a cost to those taxing units. As school districts would not be permitted to grant the new exemption, the bill would not create a cost to the state through the school funding formulas.

The number of local taxing units that would grant the proposed new exemption and the dollar amount of any new exemptions are unknown. Consequently, the cost to local taxing units cannot be estimated.

The cost to the state for publication of the resolution is \$118,681.

The proposed amendment would be submitted to voters at an election to be held November 3, 2015 and, if approved by the voters, would take effect on January 1, 2016.

Local Government Impact

Adoption of the proposed amendment would permit the governing body of a taxing unit other than a school district to adopt a residence homestead property tax exemption, expressed as a dollar amount of the property's appraised value. To the extent that the proposed new optional residence homestead exemption of a dollar amount is adopted by taxing units, the resolution would create a

cost to those taxing units.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS