

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR99 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**

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 1(i), Article VIII, of the Texas Constitution, to permit the Legislature to limit the maximum appraised value of real property (rather than a residential homestead) for property tax purposes to the lesser of the most recent market value determined by the appraisal district or 105 percent (rather than 110 percent) of the appraised value of the property for the preceding tax year.

For a residential property which the owner acquires and qualifies for a residential homestead exemption in the same year, the limitation would take effect in the tax year following the tax year in which the owner acquires the property. For other real property, the limitation would take effect in the tax year following the first tax year in which the owner owns the property on January 1. The Legislature would be permitted to provide for a residential homestead limitation to continue during ownership of the property by the owner's spouse or surviving spouse.

The proposed constitutional amendment, in and of itself, would not create a cost to local taxing units or the state. Any cost would be attributable to the corresponding implementing legislation (HB 2041).

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.

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