

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 10, 2015

TO: Honorable Donna Campbell, Chair, Senate Committee on Veteran Affairs & Military Installations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB833 by Campbell (Relating to the continuation of a residence homestead exemption from ad valorem taxation while the owner is temporarily absent because of military service.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 11.13 of the Tax Code, relating to residence homestead exemptions for property tax purposes, to provide a residential structure does not lose its characteristic as a residence homestead when the owner stops occupying the structure if that owner does not establish a different principal residence and the absence is caused by military service inside or outside the U.S. Currently, this provision only applies when the absence is caused by military service outside the U.S.

The number of Texas homeowners who are armed forces members stationed outside Texas, but within the U.S., is unknown. However, to the extent these armed forces members would no longer lose the residence homestead exemption on their homes during a military service-related absence, the bill would create a cost to local governments and to the state through the operation of the school funding formula. The cost would not be significant.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2015.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, FR, SD, SJS