

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

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

**April 10, 2015**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

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

**IN RE: SB1821** by Campbell (Relating to a local option exemption from ad valorem taxation of a portion of the appraised value of real property of a business that employs honorably discharged veterans.), **As Introduced**

**The fiscal implication of a local option exemption from ad valorem taxation of a portion of the appraised value of real property of a business that employs honorably discharged veterans is discussed in the fiscal note for the enabling resolution, SJR 60.**

The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to entitle a person to a property tax exemption of a portion of the appraised value of real property the person owns that is reasonably necessary for and used by the person in the operation of a qualifying business if the exemption is adopted by the governing body of the taxing unit. The exempt amount would be a maximum of \$15,000 for each veteran employed. A qualifying business would mean a business located in this state that on or after January 1, 2016, hires at least one veteran, and provides full time employment to that veteran for a period of at least 12 consecutive months. The governing body of the taxing unit would be permitted to repeal the exemption.

The corresponding joint resolution is self-implementing. Consequently, the fiscal methodology is discussed in the fiscal note for the joint resolution.

Note: the language in the corresponding joint resolution does not appear to authorize the legislature to limit the exemption amount to \$15,000 per veteran employed.

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

**Local Government Impact**

The fiscal implication of a local option exemption from ad valorem taxation of a portion of the appraised value of real property of a business that employs honorably discharged veterans is discussed in the fiscal note for the enabling resolution, SJR 60.

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

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