

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

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

**May 21, 2015**

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

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

**IN RE: SJR1** by Nelson (proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes and providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount.), **Committee Report 2nd House, Substituted**

**The fiscal impact of this resolution combined with the fiscal impact of additional provisions proposed in CSSB 1 requiring the state to hold school districts harmless for property tax losses caused by the increased exemption is in the fiscal note for CSSB 1.**

**The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state.**

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

The resolution would propose an amendment to Sections 1-b(c) and (d), Article VIII, of the Texas Constitution, to increase the mandatory homestead exemption for school districts from \$15,000 to \$25,000 and to require tax ceilings for taxpayers who are age 65 or older, or disabled, be reduced to reflect the additional exemption.

The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state.

Please see the fiscal note for CSSB 1 for the fiscal impact of this amendment combined with the fiscal impact of additional provisions proposed in CSSB 1 requiring the state to hold school districts harmless for property tax losses caused by the increased exemption.

The proposed amendment would be submitted to voters at an election to be held November 3, 2015 and, if approved by the voters, the amendments to Sections 1-b(c) and (d), Article VIII, of the Texas Constitution would take effect for the tax year beginning January 1, 2015.

## **Local Government Impact**

The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state.

Please see the fiscal note for CSSB 1 for the fiscal impact of this amendment combined with the fiscal impact of additional provisions proposed in CSSB 1 requiring the state to hold school districts harmless for property tax losses caused by the increased exemption.

**Source Agencies:** 304 Comptroller of Public Accounts, 701 Central Education Agency

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