

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

**FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017**

**July 24, 2017**

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

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

**IN RE: HJR35** by Bonnen, Dennis (Proposing a constitutional amendment to authorize the legislature to limit increases in the appraised value of commercial or industrial real property for ad valorem tax purposes.), **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 \$114,369.

The resolution would propose an amendment Section 1, Article VIII, of the Texas Constitution, to add new Subsection (k) to permit the Legislature by general law to limit the maximum appraised value of a parcel of commercial or industrial real property, as defined by the Legislature, for property tax purposes to the lesser of the most recent market value of the property as determined by the appraisal entity or 120 percent, or a greater percentage, of the appraised value of the property for the preceding tax year. The limitation would:

1. take effect as to a parcel of commercial or industrial real property on the latter of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year in which the owner owns the property on January 1 and in which the property qualifies as commercial or industrial real property; and
2. expire on January 1 of the tax year following the first tax year in which the owner of the property ceases to own the property or the property ceases to qualify as commercial or industrial real property.

Adoption of the proposed constitutional amendment alone would have no fiscal impact on the state or units of local government. Any fiscal impact would depend on the corresponding enabling legislation (HB 3).

The cost to the state for publication of the resolution is \$114,369.

The proposed amendment would be submitted to voters at an election to be held November 7, 2017.

**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, SJS