

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB322** by Geren (Relating to the establishment of a limitation on the total amount of ad valorem taxes that taxing units may impose on the residence homesteads of individuals who are disabled or elderly and their surviving spouses.), **As Introduced**

The fiscal impact of requiring all taxing units to grant the tax ceiling on homesteads of individuals who are elderly or disabled is discussed in the fiscal note for the enabling resolution, HJR 26.

The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to repeal the optional city, county or junior college limitation of taxes on homesteads of individuals who are elderly or disabled (over-65 or disabled tax ceiling) and require all taxing units to grant the tax ceiling. Currently, all school districts; and cities, counties, and junior colleges that have opted to do so grant the tax ceiling. Tax ceilings would be transferable to a subsequent homestead in a different taxing unit of the same type, however the transfer would not apply to a taxing unit if the former homestead was not subject to taxation by a taxing unit of the same type in the last year in which the individual received the exemption for the former homestead.

The bill would include surviving spouses who are disabled as individuals who are entitled to the tax ceiling applicable to their spouse at time of death.

The bill would make conforming changes.

Because the associated constitutional amendment (HJR 26) is self-implementing, the cost of the bill's proposed requirement that all taxing units grant the tax ceiling is shown in the fiscal note for that amendment.

The bill would take effect January 1, 2020, contingent on the approval by voters of a constitutional amendment (HJR 26).

Local Government Impact

The fiscal impact of requiring all taxing units to grant the tax ceiling on homesteads of individuals who are elderly or disabled is discussed in the fiscal note for the enabling resolution, HJR 26.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS