

**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: HJR26** by Geren (Proposing a constitutional amendment establishing a limitation on the total amount of ad valorem taxes that political subdivisions may impose on the residence homesteads of individuals who are disabled or elderly and their surviving spouses.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HJR26, As Introduced: No fiscal implication to the State is anticipated, other than the cost of publication. The cost to the state for publication of the resolution is \$177,289.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$177,289)
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Counties	Probable Revenue Gain/(Loss) from Cities	Probable Revenue Gain/(Loss) from Other Special Districts
2020	(\$177,289)	\$0	\$0	\$0
2021	\$0	(\$82,751,000)	(\$95,998,000)	(\$66,653,000)
2022	\$0	(\$164,455,000)	(\$184,593,000)	(\$137,455,000)
2023	\$0	(\$264,307,000)	(\$292,865,000)	(\$223,983,000)
2024	\$0	(\$372,065,000)	(\$409,711,000)	(\$317,363,000)

**Fiscal Analysis**

The resolution would propose an amendment to Section 1-b(d) of Article VIII of the Texas Constitution, to modify the homestead tax ceiling for individuals who are over 65 years of age or who are disabled to apply to property taxes imposed by a political subdivision (rather than only a school district). The resolution also allows a surviving spouse of a person with a disabled exemption to receive the tax ceiling benefit. The surviving spouse would have to be either 55 years or older or disabled.

The resolution would repeal Section 1-b(h), of Article VIII, regarding permitting counties, cities and junior colleges to grant a residence homestead tax ceiling.

The proposed amendment would be submitted to voters at an election to be held November 5, 2019.

### **Methodology**

The proposed amendment's requirement that all taxing units grant the over-65 or disabled tax ceiling would create a cost to taxing units not currently granting the tax ceiling. All school districts currently grant the exemption, so neither school districts nor the state would be affected by the amendment. Historical tax ceiling levy loss information from school districts was used to estimate the levy losses for special districts, cities, and counties. Losses from taxing units that currently grant the optional tax ceiling were excluded. The cumulative losses were projected through the five-year period shown in the fiscal impact table.

The cost to the state for publication of the resolution is \$177,289.

### **Local Government Impact**

The estimated fiscal implication to units of local government is reflected in the table above.

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

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