

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 23, 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: HJR29 by Bohac (Proposing a constitutional amendment to exempt from ad valorem taxation the total market value of the residence homesteads of certain elderly persons and their surviving spouses.), **As Introduced**

The resolution would add a new subsection to entitle a person to a total market value residence homestead exemption if the person is 80 years of age or older and the person has received an exemption for the residence homestead for at least the preceding 10 years. Adoption of the proposed constitutional amendment alone would implement the proposed exemption and would have a negative fiscal impact on the state. The implementation of the permissive provision allowing the state to protect school districts from all or part of the revenue loss from the proposed exemption would depend, however, on the corresponding enabling legislation. Consequently the fiscal cost of this joint resolution is combined with the fiscal cost of the school finance provisions in the implementing legislation and shown in the fiscal note for the implementing legislation.

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

The resolution would propose an amendment to Section 1-b of Article VIII of the Texas Constitution, to add a new subsection to entitle a person to a total market value residence homestead exemption if the person is 80 years of age or older and the person has received an exemption for the residence homestead for at least the preceding 10 years. The surviving spouse of a person who received the exemption is entitled to the exemption if the deceased spouse died in a year in which the deceased spouse received the exemption, the surviving spouse was 55 years of age or older when the deceased spouse dies, and the property was the residence homestead of the surviving spouse when the deceased spouse dies and remains the residence homestead of the surviving spouse. The Legislature shall provide for formulas to protect school districts against all or part of the revenue loss incurred by the implementation of this exemption.

Adoption of the proposed constitutional amendment alone would implement the proposed exemption and would have, in and of itself, a negative fiscal impact on the state and units of local government.

The implementation of the permissive provision allowing the state to protect school districts from all or part of the revenue loss from the proposed exemption would depend, however, on the corresponding enabling legislation. Consequently the fiscal cost of this joint resolution is combined with the fiscal cost of the school finance provisions in the implementing legislation and shown in the fiscal note for the implementing legislation (HB 384).

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

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

Local Government Impact

The resolution would add a new subsection to entitle a person to a total market value residence homestead exemption if the person is 80 years of age or older and the person has received an exemption for the residence homestead for at least the preceding 10 years. Adoption of the proposed constitutional amendment alone would implement the proposed exemption and would have a negative fiscal impact on units of local government. The implementation of the permissive provision allowing the state to protect school districts from all or part of the revenue loss from the proposed exemption would depend, however, on the corresponding enabling legislation. Consequently the fiscal cost of this joint resolution is combined with the fiscal cost of the school finance provisions in the implementing legislation and shown in the fiscal note for the implementing legislation.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS