

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 29, 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: HJR47 by Bell, Cecil (Proposing a constitutional amendment to authorize the legislature to limit the maximum appraised value of real property for ad valorem tax purposes.), **As Introduced**

No fiscal implication to the State is anticipated, 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 \$177,289.

The resolution would propose an amendment to Section 1(i), Article VIII, Texas Constitution, to permit the Legislature by general law to limit the maximum appraised value of real property for property taxation purposes in a tax year to the lesser of the most recent market value or 105 percent, or a greater percentage, of the appraised value of the property for the preceding tax year.

The appraisal limitation would take effect in the tax year following the first tax year in which the owner owns the property on January 1 or, in the tax year following the tax year in which the owner acquires the property if the owner qualifies for a residence homestead exemption in that year. The limitation expires on January 1 of the tax year following the tax year in which the owner of the property ceases to own the property except that the Legislature may provide for the limitation applicable to a residence homestead to continue during ownership of the property by the owner's spouse or surviving spouse.

Adoption of the proposed constitutional amendment alone would have no fiscal impact on the state or units of local government other than the cost of publication. Any fiscal impact would depend on the corresponding enabling legislation (HB 878).

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 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: WP, KK, SD, SJS