

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 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: HJR54 by Wray (Proposing a constitutional amendment to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead if the spouse is 55 years of age or older at the time of the person's death.), **As Introduced**

Passage of the resolution and voter approval of the amendment would allow the surviving spouse of a disabled person with a tax ceiling who dies to retain the tax ceiling. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

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

The resolution would propose an amendment to Section 1-b, Article VIII of the Texas Constitution, to allow the surviving spouse of a disabled person with a tax ceiling who dies to retain the tax ceiling. The death would have to occur on or after January 1, 2013.

The proposed amendment's provision allowing the surviving spouse of a disabled person to retain the tax ceiling benefit would create a cost to local taxing units currently granting the tax ceiling and to the state through the school funding formulas. The number of surviving spouses who would qualify to retain the tax ceiling under the bill is unknown; consequently, the cost of the bill cannot be estimated.

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

Passage of the resolution and voter approval of the amendment would allow the surviving spouse of a disabled person with a tax ceiling who dies to retain the tax ceiling. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS