

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: HJR89 by Kacal (Proposing a constitutional amendment to authorize a local option exemption from ad valorem taxation of a portion of the appraised value of the residence homesteads of certain volunteer first responders.), **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 resolution would propose an amendment to Article VIII of the Texas Constitution to permit the governing body of a political subdivision to exempt from property taxation an amount not to exceed \$15,000 of the appraised value of the residence homestead of a volunteer first responder. The legislature would be permitted to define "volunteer first responder" and provide additional eligibility requirements.

The resolution would create a cost to local taxing units to the extent that the optional \$15,000 residence homestead exemption for volunteer first responders is adopted by taxing units. There would be no cost to the state because the exemption would not be recognized in the school funding formulas. The number of taxing units that might adopt the exemption and the value of exempted property under the bill is unknown. Consequently, the cost 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 and, if adopted by the voters, would take effect January 1, 2020.

Local Government Impact

Passage of the resolution and adoption by the voters would permit the governing body of a political subdivision to exempt from property taxation an amount not to exceed \$15,000 of the appraised value of the residence homestead of a volunteer first responder. 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

