

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: HJR118 by Stephenson (Proposing a constitutional amendment authorizing the legislature to exempt from ad valorem taxation by a school district for maintenance and operations purposes all or part of the appraised value of a residence homestead and to use state money to offset the resulting revenue loss to school districts.), **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-b, Article VIII of the Texas Constitution, to add Subsection (s) providing that the Legislature by general law may exempt from taxation by a school district for maintenance and operation purposes all or part of the appraised value of a residence homestead. The Legislature may provide for the use of state money for the purpose of protecting a school district against all or part of the revenue loss to the school district attributable to the exemption. The resolution provides for a conforming adjustment to Subsections (d) and (d-1) relating to the school district tax freeze on homesteads of persons age 65 or over.

Voter approval of the proposed constitutional amendment alone would have no fiscal impact on the state or units of local government. Any fiscal impact would depend on the corresponding enabling legislation (HB 3793).

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 would take effect beginning with the tax year that begins January 1, 2020 if approved by the voters.

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