

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: HJR139 by Holland (Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homesteads of certain disabled first responders and their surviving spouses.), **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, Texas Constitution, to permit the Legislature to exempt from property taxation all or part of the market value of the residence homestead of a disabled first responder. The Legislature would be permitted to define "first responder" and to provide additional eligibility requirements for the exemption.

The Legislature would be permitted to provide that the surviving spouse of a disabled first responder who qualified for the exemption is entitled to an exemption of the same portion of the market value of the same property to which the disabled first responder's exemption applied if:

- the surviving spouse has not remarried since the death of the disabled first responder; and
- the property was the residence homestead of the surviving spouse when the disabled first responder died, and remains the residence homestead of the surviving spouse.

The Legislature could provide that if a surviving spouse who qualifies for the exemption subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is entitled to a property tax exemption of the subsequently qualified homestead in an amount equal to the dollar amount of the exemption in the last year in which the surviving spouse received the exemption if the surviving spouse has not remarried since the death of the disabled first responder.

Adoption 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 4367).

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