

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SJR38 by Creighton (Proposing a constitutional amendment to authorize the legislature to set a lower limit and provide for more than one limit on the maximum appraised value of a residence homestead for ad valorem taxation.), **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, Article VIII, of the Texas Constitution, to authorize the Legislature to reduce the current limitation on the maximum appraised value of a residence homestead for property tax purposes from 110 percent of the preceding tax year's appraised value to 103 percent or a greater percentage. The Legislature would also be authorized, subject to constitutional limitations, to provide for one percentage to be used when calculating the limitation on the maximum appraised value of a residence homestead with a lesser appraised value, and another percentage to be used when calculating that limitation on a residence homestead with a greater appraised value.

Adoption of the proposed amendment alone would have no fiscal impact on the state other than the cost of publication. Any loss of revenue would be attributable to the corresponding enabling legislation (SB 657).

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

