

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATURE 3rd CALLED SESSION 2021**

**October 18, 2021**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SJR2** by Bettencourt (Proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes.), **As Introduced**

**The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state. The cost to the state will depend on the corresponding enabling legislation.**

**The cost to the State for publication of the resolution is \$178,333.**

The resolution would propose an amendment to Sections 1-b(c), Article VIII, of the Texas Constitution, to increase the mandatory homestead exemption for school districts from \$25,000 to \$40,000.

The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state. The cost to the state will depend on the corresponding enabling legislation.

The proposed amendment would be submitted to voters at an election to be held May 7, 2022 and, if approved by the voters, the amendments to Sections 1-b(c) Article VIII, of the Texas Constitution would take effect for the tax year beginning January 1, 2022.

**Local Government Impact**

The approval of the amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state.

**Source Agencies:** 304 Comptroller of Public Accounts, 701 Texas Education Agency

**LBB Staff:** JMc, KK, SD, SJS