

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 15, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB746 by Bernal (Relating to installment payments of ad valorem taxes imposed on certain homesteads.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 31 of the Tax Code, related to property tax collections, to allow property taxes to be paid in four equal installments for property with a partially disabled veteran exemption. The bill would add Tax Code Section 31.033 to authorize disabled veterans or their surviving spouses, those who are 65 years or older or disabled, or other individual with a residence homestead exemption to pay property taxes on that homestead in either five or nine equal monthly installments. The installments would be without penalty and interest if the first installment is paid before November 1 of the year taxes are assessed and accompanied with notice the remaining taxes will be paid in four or eight equal monthly installments.

The bill would affect the timing but not the amount of property taxes paid and the final installment would be paid in the same fiscal year required under current law except in rare cases. Consequently, the bill would not create a significant cost to the state or local taxing units.

The bill would take effect January 1, 2022.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI