

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 18, 2021**

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

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

**IN RE: HB1601** by Allison (Relating to a local option exemption from ad valorem taxation of all or part of the appraised value of the residence homesteads of certain peace officers.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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This bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to add a local option homestead exemption for eligible peace officers employed by the state or a political subdivision if the peace officer's homestead is located in a high-need area as designated by the taxing unit. The taxing unit may adopt either a percentage or flat dollar amount. The bill would hold school districts harmless for granting a local exemption.

The bill alone would not have any effect and would require constitutional authorization. The proposed constitutional amendment associated with this bill (HJR 83) is self-implementing. Consequently, any fiscal impact is shown in the fiscal note for that constitutional amendment.

The bill would be effective January 1, 2022, contingent on voter approval of a constitutional amendment (HJR 83).

**Local Government Impact**

The bill would have no fiscal impact on units of local government. Any fiscal impact is shown in the fiscal note for the corresponding constitutional amendment.

**Source Agencies:** 304 Comptroller of Public Accounts

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