

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: HB2711 by Hinojosa (Relating to the continuation of a residence homestead exemption from ad valorem taxation while the owner is temporarily absent because of service outside of the United States as a foreign service officer employed by the United States Department of State.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Section 11.13(l) of the Tax Code, providing the continuation of a residence homestead exemption from ad valorem taxation for owners who are temporarily outside of the United States (US) due to service as a foreign service officer employed by the US Department of State and the owner does not establish a different principal residence.

The number of Texas homeowners who are employed as foreign service officers outside the US is unknown. To the extent these homeowners would no longer lose the residence homestead exemption on their homes during an employment-related absence, the bill would create a cost to local governments and to the state through the operation of the school funding formula. Given the limited number of total foreign service officers the cost is not expected to be significant.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2021.

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