

**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: HB3437** by Goldman (Relating to the authority of a taxing unit other than a school district to establish a limitation on the amount of ad valorem taxes that the taxing unit may impose on the residence homesteads of individuals who are disabled or elderly and their surviving spouses.), **As Introduced**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapters 11, 23, and 26 of the Tax Code, regarding property taxation, taxable property, exemptions, appraisals and assessment, to enable taxing units other than schools to limit the property taxes on the residence homestead of an individual who is at least 65 years of age, or disabled, to the amount of taxes paid on the homestead in the first tax year the individual qualified. Current law requires school districts to provide the property tax limitation and gives cities, counties and junior colleges the option to provide the tax limitation. Under this bill's provisions, all other taxing units would have the option to provide the tax limitation either by official action of the taxing unit's governing body or by a petition and election process.

The bill, in and of itself, would have no fiscal impact on the state or units of local government. The associated constitutional amendment is self enabling; consequently any fiscal impact is shown in the fiscal note for the corresponding constitutional amendment (HJR 141).

The bill would take effect January 1, 2022, contingent on the approval by voters of a constitutional amendment (HJR 141).

**Local Government Impact**

The bill would have no impact on units of local government. Any fiscal impact (limited to local governments other than school districts, cities, counties, and junior colleges) is shown in the fiscal note for the corresponding constitutional amendment.

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

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