

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 24, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR83 by Allison (Proposing a constitutional amendment authorizing 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**

Passage of the resolution and voter approval of the amendment would permit the governing body of a political subdivision to exempt from property taxation all or part of the appraised value of the residence homestead of an eligible peace officer who resides in a high-need area. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

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

The resolution would propose an amendment to Article VIII of the Texas Constitution to permit the governing body of a political subdivision to exempt from property taxation all or part of the appraised value of the residence homestead of an eligible peace officer who resides in a high-need area.

The proposed constitutional amendment, if approved by the voters, would create a cost to local taxing units that adopt the proposed total residence homestead exemption and to the state through the school finance formulas. The number of taxing units that would adopt the exemption and amount and value of properties that would be designated as high-need areas, is unknown; consequently, the cost of the bill cannot be estimated.

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

The proposed amendment would be submitted to voters at an election to be held November 2, 2021 and, if adopted by the voters, would take effect January 1, 2022.

Local Government Impact

The proposed constitutional amendment, if approved by the voters, would create a cost to local taxing units that adopt the proposed total residence homestead exemption.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI