

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

Revision 1

April 1, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR125 by Ellzey (Proposing a constitutional amendment to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead if the spouse is 55 years of age or older at the time of the person's death.), **As Introduced**

Passage of the resolution and voter approval of the amendment would allow the surviving spouse of a disabled person to retain the limitation on school district ad valorem taxes, provided the spouse is 55 years of age or older at the time of the person's death. As a result, school district ad valorem taxes could be reduced and state costs could increase through the operation of the school funding formulas.

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

The resolution would propose an amendment to Section 1-b, Article VIII of the Constitution, to allow the surviving spouse of a disabled person with a tax ceiling who dies to retain the tax ceiling.

The proposed amendment's provision allowing the surviving spouse of a disabled person to retain the tax ceiling benefit would create a cost to local taxing units currently granting the tax ceiling and to the state through the school funding formulas. School district property taxes collected from a qualifying surviving spouse in excess of the amount owed had the tax ceiling been in place during tax years 2020 and 2021 would be required to be refunded. The number of surviving spouses who would qualify to retain the tax ceiling under the bill 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.

Local Government Impact

The proposed amendment's provision allowing the surviving spouse of a disabled person to retain the tax ceiling benefit would create a cost to local taxing units currently granting the tax ceiling. The number of surviving spouses who would qualify to retain the tax ceiling under the bill is unknown; consequently, the cost of the bill cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI