

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 4, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HJR153 by Wilson (proposing a constitutional amendment to authorize a limitation on the total amount of ad valorem taxes that a political subdivision other than a school district, county, municipality, or junior college district may impose on the residence homesteads of certain low-income persons who are disabled or elderly and their surviving spouses.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$204,406.

The resolution would propose an amendment to Article VIII (Taxation and Revenue) of the Texas Constitution and add Subsection 1-b(h-1), to enable the governing body of a political subdivision; other than school district, county, city or town, or junior college district; to limit the property taxes on the residence homestead of individuals who are of limited financial means and who are disabled or 65 years of age or older, and their surviving spouses, if they meet certain qualifications. The resolution would allow exception to such limitation for certain subsequent property improvements. The governing body of a political subdivision could not repeal or rescind such a tax limitation once established.

Alternatively, the resolution would require the governing body of a political subdivision affected by the proposed amendment to call an election upon receipt of a certain petition to determine by majority vote whether to enact such a property tax limitation.

The resolution would allow the Legislature, by general law, to provide for the transfer of all or a proportionate amount of a tax limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead located in the same political subdivision. The Legislature would, by general law, prescribe the method for determining whether a person is of limited financial means.

The proposed amendment would be submitted to voters at an election to be held November 7, 2023.

Local Government Impact

To the extent that taxing units other than school districts, cities, counties, and junior colleges adopt the property tax limitation on the residence homestead of an individual who is of limited financial means and disabled or at least 65 years of age and their surviving spouse, there would be a cost to those taxing units. No information is available about the number of taxing units that would provide the limitation either by an official action of the governing body or by a petition and election process. Consequently, the cost of the resolution to these units of local government cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI