

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 14, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SJR3 by Bettencourt (Proposing a constitutional amendment to increase the amount of the exemption of residence homesteads from ad valorem taxation by a school district and to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in the exemption amount.), **As Introduced**

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.

This resolution would propose an amendment to Section 1-b, Subsections (c) and (d), Article VIII, of the Texas Constitution, to increase the mandatory homestead exemption for school district property taxation from \$40,000 to \$70,000.

The resolution would provide for a ceiling adjustment for residence homesteads subject to the limitation in the 2021 tax year or earlier.

The amendments Sections 1-b(c) and (d), Article VIII, would take effect with the tax year beginning January 1, 2024.

The approval of the proposed amendment to Section 1-b of Article VIII by the voters would, in and of itself, result in a reduction of school district property tax revenue and a partial reimbursement of that lost revenue by the state. Although the resolution is self-enabling, the fiscal impact is shown in the fiscal note for SB 3.

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

Local Government Impact

The fiscal impact to school districts is shown in the fiscal note for SB 3.

Source Agencies: 304 Comptroller of Public Accounts

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