

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 27, 2025**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB2520** by Bettencourt (relating to the calculation of the limitation on the total amount of ad valorem taxes imposed by a school district on the residence homestead of an individual who is elderly or disabled.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Section 11.26 of the Tax Code to clarify that the limitation on tax increases is the lesser of the amount of tax imposed by the school district in the preceding tax year adjusted as provided by this section or the amount of tax imposed on the homestead in the tax year immediately following the first tax year the individual qualified a residence homestead for the limitation.

The bill would provide for the calculation of the tax limitation on the residence homestead of individuals who are aged 65 or older or disabled in the second tax year the property owner qualifies for the limitation to be the lesser of the amount of tax imposed on the residence homestead in the second tax year or the amount of the tax limitation in the first tax year adjusted for tax rate compression and any increases to the residence homestead exemptions.

To the extent that appraisal districts have not applied current law in the same way as prescribed in the section added by the bill, there could be an impact on taxable values and to the state through the operation of the school finance formulas, however it is unlikely to be significant.

**Local Government Impact**

Provisions of the bill apply only to school districts.

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

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