

Amy Ables of CTCAR

From: Texas Association of REALTORS <jlee@texasrealtors.com>
Sent: Saturday, March 04, 2017 3:10 PM
To: Amy Ables
Subject: Legislative Liaison: The House's property tax bill



Quick hits

- As of 5 p.m. Friday, TAR is monitoring 1,821 of 4,380 bills filed.
- See TAR's legislative priorities at texasrealestate.com/issues
- Save the date: REALTOR® Day at the Texas Capitol, April 4 ([add to your calendar](#))
- Got a question about one of TAR's legislative positions, the lawmaking process, or something you read in *Liaison*? [Just ask!](#) (Not all questions can be answered, and submissions may be edited for clarity and length.)

In this edition ...

This edition of *Legislative Liaison* covers the latest property tax reform bill filed at the Lege, a school finance bill that may be coming soon, and three ways to prep for REALTOR® Day at the Texas Capitol.

House has a property tax reform bill

On Friday, Rep. Dennis Bonnen (R-Angleton), who chairs the House Ways and Means Committee, rolled out [HB 15](#).

"The Property Taxpayer Empowerment Act will give Texans the information and clarity they need about their tax bill to hold local leaders accountable," Bonnen said in a statement.

A few highlights from the 59-page bill:

- Requires local governments to publish annually their "No New Taxes Rate"—currently known as the *effective rate*. This is the tax rate that would raise the same amount of money for them as the previous year. In his statement, Bonnen explains that when appraisals increase, the No New Taxes Rate would decrease.
- Creates a searchable statewide database of appraisal and tax rate information. Property owners would be able to see how each local taxing entity's proposed tax rate will directly affect their individual tax bill, along with detailed information about how they can participate in the local rate-setting process.
- Removes the "Estimate of Tax Due" on appraisal notices. This misleading figure is currently based on applying last year's tax rate to the current year's appraisal.

[The Texas Tribune](#)'s analysis includes this statement: *While [tax] rates are often kept the same, climbing property values in Texas are rising, leading to higher tax bills for Texas property owners.*

Differences and similarities

HB 15 has some comparisons to the Texas Senate's property tax reform bill, [SB 2](#), which Sen. Paul Bettencourt (R-Houston) filed in November.

SB 2 and HB 15 both call for lowering what's known as the *rollback rate* from 8% to 4%.

Currently, if a local taxing entity proposes a tax rate that would generate at least 8% more revenue than the previous year, citizens may petition to hold what's called a rollback election. [The Comptroller's website](#) explains the rollback election process in more detail.

Both bills also call for making that rollback election *automatic* if the local taxing entity proposes a tax rate that exceeds the rollback rate ... rather than requiring citizens to collect signatures to petition for a rollback election.

(The exception is school districts, which already have a 4% rollback rate that automatically triggers a rollback election.)

That's about where the similarities end.

HB 15 focuses mostly on the tax rate-setting process, while SB 2 focuses largely on appraisal review boards.

A few highlights from SB 2:

- Requires that appraisal review board (ARB) members be elected—no longer appointed by elected officials
- Creates a new division under the Texas Comptroller's office, the Property Tax Administration Advisory Board, to oversee appraisal districts and local tax offices
- Prohibits an ARB from scheduling appraisal protest hearings on Sundays or after 7 p.m. on weekdays.

One week to go

The deadline for lawmakers to file bills is Friday, March 10. Expect a flurry of bill filing leading up to the deadline ... then the pace will pick up even more as bills are sent to committees for hearings. We'll keep you posted.

Will we see a school-finance bill next week?

During an education symposium hosted by *The Texas Tribune* in Houston on Friday, House Public Education Chairman Dan Huberty (R-Houston) said Monday he'll unveil his plan to revise the school funding formula.

Huberty said his bill will specifically help school districts that are forced to send local property tax dollars to the state to be distributed to property-poor school districts.

Read more in the [Houston Chronicle](#).

Countdown to your day under the dome

REALTOR® Day at the Texas Capitol is only one month away! Here are a few ways to prepare for April 4:

- Contact your local association to participate. Many local associations charter buses to make the trip to Austin, so you'll need to get on their list.
- Visit texasrealestate.com/realtorday to familiarize yourself with best practices for meeting with legislators
- [RSVP to the Facebook event](#) to tell your friends you're coming (... just remember to formally register with your local association, too).

Around the web

- Texas House proposes using \$1.4 billion from state savings account for health and human services, [The Texas Tribune](#)

- Janet Yellen says Fed is likely to raise interest rates this month, [The New York Times](#)
- Ben Carson confirmed as HUD Secretary, [NAR Newsline](#)
- Analysis: The Texas legislative tales that (almost) got away, [The Texas Tribune](#)

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