



Promoting and Advocating for Business and Community Development since 1845

March 22, 2021

The Honorable Greg Abbott
Governor of Texas
P.O. Box 12428
Austin, Texas 78711

The Honorable Dan Patrick
Lt. Governor
P.O. Box 12068
Austin, Texas 78711

The Honorable Dade Phelan
Speaker of the House
P.O. Box 2910
Austin, Texas 78768

RE: Support of Legislation Pertaining to Appraisal and Property Tax Code Reforms

Dear Gentlemen:

On the heels of the most devastating disasters of our lifetime, county appraisal districts continue to deal blows to Texas property owners. Although the 86th Session delivered meaningful spending limits for local governments as well as tax relief in the form of compression of school district tax rates, owners of both residential and commercial properties have been equally stunned by excessive appraisal increases that greatly – if not entirely – wiped out savings provided, thanks to your leadership.

Multiple bills have been filed by our local Representatives and others across Texas who recognize the time has come for appraisal reform. The proposed legislation we consider true reform are listed separately from the individual bills in that their passage may negate the need for the others. We believe the time to fully reform the appraisal system has come and your leadership can make that a reality.

In addition to the bills listed, we support passage of any and all legislation that will not harm governments' ability to provide essential services but that will also protect our businesses from excessive taxation without direct representation through:

- ✓ Election of county appraisal district board of directors
- ✓ Limiting the Property Value/Ratio Study to once every two years only
- ✓ Increasing the margin of error of the Property Value/Ratio Study by 10%
- ✓ Delaying the Property Value/Ratio Study in any year and in any school district impacted by a natural disaster declared by the Governor
- ✓ Lowering of appraisal caps to no more than 5% and extending to all real properties
- ✓ Mandating informal appraisals
- ✓ Redefining disaster to include only physical damage



Promoting and Advocating for Business and Community Development since 1845

- ✓ Providing refunds if a property is sold for less than the CAD value
- ✓ Ensuring school district cost effectiveness by examining their cost of collections

Thank you for the leadership you provide to the Great State of Texas. The Galveston Regional Chamber of Commerce stands ready to assist you as you work to further improve the Texas property tax system.

Sincerely,

Gina M. Spagnola
President & CEO

Terrilyn Tarlton-Shannon
2021 Chair

Theresa Elliott
Advocacy Chair

APPRAISAL REFORM BILLS

- HB 96 Toth Establishes values of homesteads to price paid
- HB 1395 Middleton Establishes price paid as value of residential, small income producing, and raw land; eliminates personal property taxes; governance changes for county appraisal districts
- HB 3260 Thierry Various appraisal reforms including price paid if approved by county voters and adjusts TNT calculation to include value of unfunded mandates
- HJR 118 Allison Provides for voter approval authorizing value of real property to be based on price paid

PROPERTY TAX BILLS SUPPORTED

- | | | |
|---------|------------|---|
| HB 299 | Vasut | Limiting increases in the value of real property to 3.5% |
| HB 528 | White | Limiting increases in the value of commercial property to 3.5% |
| HB 529 | White | Limiting increases in the value of homesteads to 2.5 |
| HB 798 | Larson | Limits increases to 5% if value lowered by agreement, protest or appeal in prior year |
| HB 987 | Shine | Exempting first \$5,000 of business personal property value from taxation |
| HB 1053 | Cecil Bell | Limiting increases in the value of real property to 5% |
| HB 1061 | Bucy | Tax ceilings by all governments |
| HB 1168 | Metcalf | Election of five CAD directors |



Promoting and Advocating for Business and Community Development since 1845

HB 1391	Middleton	Limits rate to no-new-revenue-rate if election to ratify exceeding voter approval rate fails
HB 1392	Middleton	Allows all Chambers and Galveston County governments to adopt 100% homestead exemption
HB 1393	Middleton	Allows all Texas governments to adopt 100% homestead exemption
HB 1421	Cain	Provides for temporary disaster exemption whether or not tax rate has been adopted
HB 1789	Vasut	Refunds overpayment of taxes if homestead sells for less than CAD value for up to two years
HB 1798	Shaheen	Provides temporary limit on value increases in a disaster area and prevents increases in tax rate except for school districts after disaster
HB 2074	Shaheen	Reduces school M&O taxes through use of surplus state revenues
HB 2212	Muñoz, Jr.	Election of appraisal district directors
HB 2311	Krause	Reduces appraisal cap to 5% on all single family residential property
HB 2489	Cook	Prevents CAD from increasing value for three years after agreed reduction in protest or appeal
HB 3317	Metcalf	Extends CAP to all real property
HB 3321	Metcalf	Reduces homestead appraisal cap to 5% (identical to SB 489)
HB 3437	Goldman	Tax ceilings by all governments
HB 3490	Deshotel	Provides for installment payments on residential property rented to COVID tenant not paying rent
HB 3509	Meyer	Various appraisal reforms (identical to SB 63)
HB 3629	Bonnen	Changes date of deferral of taxes
HB 3694	Shaheen	Limits value on rapidly increasing homesteads
HB 3824	Muñoz, Jr.	Reduces penalty and interest amounts charged on delinquent taxes
HB 3945	Herrero	Allows for waiver of penalty and interest in a year a disaster is declared
HB 4024	Allison	Limitation of value increases on all real property
HB 4179	Bonnen	Requires informal conferences to be held
HB 4206	Allison	Provides for study to be conducted of acquisition value
SB 63	Nelson	Various appraisal reforms (identical to HB 3509)
SB 329	Paxton	Provides for tax credits for businesses closed by order of any state official
SB 489	Kolkhorst	Provides for appraisal cap on all real property
SB 689	Lucio	Provides for waiver of penalty and interest in a declared disaster area
SB 1096	Creighton	Caps increases in value to 3% on all properties valued less than \$1M and 5% if more than \$1M
SB 1427	Bettencourt	Defines disaster damage as physical for provision of temporary exemption
SB 1431	Bettencourt	Provides for County Tax Assessor Collector to collect all school taxes
SB 1449	Bettencourt	Exempts first \$2,500 of value on business personal property taxes