



SENATOR PAUL BETTENCOURT

DISTRICT 7

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HISD Board Heeds Senator Bettencourt's Call and Schedules New "Recapture" Election for May 6 *Gives voters the chance to rectify the lose-lose-lose situation that currently exists*

AUSTIN – Following the public demand by Senator Paul Bettencourt (R-Houston), the Houston Independent School District's Board of Trustees has scheduled a new HISD "recapture" election to be held on May 6 to allow voters the opportunity to avoid the lose-lose-lose situation that currently exists. HISD worked with the Texas Education Agency, which today announced an adjustment on the local homestead exemption that significantly reduces HISD's recapture obligation by about \$60 million. The original recapture payment was about \$162 million.

"On January 24 during a Senate Finance Committee hearing, I called upon the Houston Independent School District's Board of Trustees to schedule another vote on recapture in May," Senator Bettencourt said. **"I'm glad to see HISD Trustees recognized the obvious that the current situation was a lose-lose-lose for taxpayers."**

Last month, Senator Bettencourt called for HISD trustees to let people vote on the inevitable tax hike that will come with the Education Commissioner's detachment of high-value business properties in HISD, both for the detached properties and the properties that remain in HISD, since those properties will have to make up the shortfall to pay debt from HISD losing nearly \$18 billion of its tax base.

Senator Bettencourt explained in January that without a new recapture vote, HISD faces a lose-lose-lose situation. First, de-annexed taxpayers would see their Maintenance and Operations (M&O) property tax rates rise by 15 cents. **"That means commercial taxpayers will pay their new school districts millions of dollars more in taxes per year,"** he said. Second, the existing HISD taxpayers would have to make up their Interest and Sinking (I&S) property tax debt rate goes up 2 cents to make up for the departed de-annexed commercial taxpayers. **"That is both homeowners and business owners paying 2 pennies in tax rate more,"** he explained. Finally, HISD would permanently lose \$17.4 billion dollars of their tax roll that cannot be replaced easily per the TEA Commissioner, if at all.

TEA announced today that they will recognize half of the local homestead exemption for HISD and other similarly situated school districts that are subject to recapture and also provide this local exemption to homeowners.

"While they should have done the right thing in the first place, HISD trustees took the good step to avoid this lose-lose-lose situation by scheduling a new HISD recapture vote on May 6," Senator Bettencourt continued. **"Now they need to do right thing and urge the public to vote yes!"**

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