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Senate Select Committee on Property Tax Reform Listens to Frustrated Taxpayers

Took testimony regarding disaster reappraisal and TIRZ issues from officials as well

Houston – The Senate Select Committee on Property Tax Reform met at Houston Community College's Alief Campus to discuss disaster reappraisal as well as Tax Increment Reinvestment Zones, two Hurricane Harvey interim charges assigned by Lt. Governor Dan Patrick. Senators Brandon Creighton (R-Conroe), Kelly Hancock (R-North Richmond Hills), Charles Perry (R- Lubbock) and Van Taylor (R-Plano) were all in attendance. The committee is chaired by Senator Paul Bettencourt (R-Houston).

"This really is a tale of two cities," said Senator Bettencourt. "You have those who have flooded and those who did not. I commend the taxing jurisdictions that have triggered disaster reappraisal and continue my call on other taxing entities to do the right thing for taxpayers and give these homeowners a break."

Several taxing entities have triggered disaster reappraisal, such as Montgomery County, Fort Bend County, Spring Branch ISD, Katy ISD, and several smaller taxing jurisdictions. Major taxing entities that have not called for this relief are the City of Houston, Harris County, and Houston ISD. Cheryl Johnson, Galveston County Tax Assessor Collector stated, "People feel abandoned...they feel like government doesn't care."

One back and forth came when Fort Bend Commissioner Andy Meyers spoke. Senator Bettencourt lauded the fact that nearly every taxing jurisdiction in Fort Bend has triggered disaster reappraisal. "They are the good guys", said Senator Bettencourt. Commissioner Meyers highlighted the argument that property taxes are increasing because the share of state funding of education has been falling and unfunded mandates are being pushed on to local jurisdictions. Senator Perry noted that the numbers being discussed are wrong and that "the real number (of State funding) is between 48-52% when you compare apples to apples" as the calculation many groups use includes I&S funding, despite the state never funding the I&S portion and local districts in many cases not wanting the state involved in this area. Senator Hancock added that he had proposed legislation to eliminate mandates on school districts from the state, however a majority of education groups opposed the legislation and "many mandates were put in place because local districts asked for, and lobbied for, them to begin with."

The committee also took testimony regarding the possible use of TIRZ funds to help offset the costs associated with disaster recovery in response to storms like Hurricane Harvey. One witness estimated that there is roughly \$100,000,000 that is diverted into the TIRZ accounts rather than the City of Houston's general fund. Harris County Treasurer Orlando Sanchez referred to TIRZ's as "enclaves of opulence." "The city really needs the ability to control the TIRZ money a little more than we can", added Houston City Councilman Mike Knox.

"When we hear that people need more police officers, which is a local decision, everyone needs to face up to the fact that about 18% of Houston's tax roll is now in a TIRZ," concluded Senator Bettencourt.

The committee plans to hold additional hearings throughout the year on a wide range of property tax issues.