

Texas Senate
Select Committee on
Property Tax Reform

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Sen. Paul Bettencourt, Chair

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Shocking Testimony at Select Committee on Property Tax Reform Hearing

Testimony on rollback rate history, flaws in Truth in Taxation, ARB Reform, FEMA data, and more

The Woodlands – The Senate Select Committee on Property Tax Reform met today at Lone Star College-Montgomery to study modifications to the rollback rate, evaluate the operations of appraisal review boards, and study the feasibility of replacing the property tax with a consumption tax.

“No one should underestimate the resolve of Lt. Governor Patrick to get this issue resolved,” said Chairman Paul Bettencourt (R-Houston). **“We are on a collision course with reality when taxing jurisdictions increase revenues by 10, 11, or 12% year over year. Taxpayers cannot keep up.”**

In one noteworthy exchange Senator Hancock (R- North Richland Hills) highlighted **“Truth in Taxation at this point really does not give anyone a true picture of what is going on.”** Jennifer Rabb, a Fellow at the Baker Institute for Public Policy added, **“Truth in taxation is not really truthful, it’s more like a ‘read my lips’ – no new taxes truthful.”** Senator Bettencourt concluded, **“It really is an oxymoron.”** Senator Lucio (D-Brownsville) added, **“The property tax process must be as transparent as possible.”**

In a noteworthy exchange, the City Manger of the City of Mont Belvieu expressed his opposition to “tax caps and revenue caps” which limit the ability of local governments to provide necessary services. Senator Brandon Creighton (R-Conroe) asked, **“How is your revenue limited when you have the ability to raise your tax rate where the public can see that in a posted, public hearing?”** Senator Bettencourt followed up to ask him if he had any data on his actual property tax levy increases and he did not.

The rollback rate was originally set at 5% in 1979 and the inflation rate at the time was over 10%. The Legislature modified this to 8% 1981 to reflect this high inflation rate and it has remain unchanged ever since, despite today’s climate of low interest rates. In shocking data presented by Montgomery County’s Chief Appraiser it was testified that his office was unable to determine if 87% of the FEMA claims paid in Montgomery County following Hurricane Harvey were valid or not. **“It shows that using FEMA data for automatic disaster reappraisal is not an example of best practices,”** added Chairman Bettencourt.

Dale Craymer, President of Texas Taxpayers and Research Association (TTARA) testified about the possibility of eliminating the property tax with a sales tax saying, **“For all the talk about a sales tax swap, no one has yet come up with a legislative idea that would show how it would be accomplished.”** Senator Bettencourt concluded, **“No matter what revenue source you use you must have transparency and controls.”** Testimony highlighted that the platforms of both political parties also include property tax relief.

Members

Brandon Creighton
Eddie Lucio, Jr.
Van Taylor

Kelly Hancock
Charles Perry