

**Resolution of the Board of Directors, Greater Houston Partnership**

**In Support of Comprehensive Reform of the Texas Property Tax System**

---

The Greater Houston Partnership (the Partnership) supports legislation in the 85th Texas Regular Legislative Session, including Senate Bill 2, that would reform the property tax system in Texas.

The Partnership recognizes that the property tax burden on business and home owners in Texas is among the highest in the country. Senate Bill 2 would give taxpayers a greater voice in the rate-setting processes of the growing number of local taxing entities statewide. The comprehensive reforms in the bill would improve the accountability and proficiency of taxing and appraising entities across the board.

The Partnership has a long-standing commitment to improving the Texas property tax system in order to maintain the state's position as a leader in tax competitiveness. Senate Bill 2, if passed, would improve nearly every part of the process, including the overall timeline, appraisal and property valuation, rate-setting and collection.



---

Jeff Shellebarger, Chairman



---

Bob Harvey, President & CEO



---

Marc Watts, Vice Chair and Secretary

## MEMORANDUM

**DATE:** February 15, 2017

**TO:** Greater Houston Partnership Board of Directors

**FROM:** Business Issues Advisory Committee

**SUBJECT:** Resolution of the Board of Directors In Support of Comprehensive Reform of the Texas Property Tax System

---

### BACKGROUND INFORMATION

In the fall of 2015, Lieutenant Governor Dan Patrick appointed an interim committee, chaired by Senator Paul Bettencourt (R-Houston), with the following charges:

1. Study the property tax process, including the appraisal system, and recommend ways to promote transparency, simplicity, and accountability by all taxing entities.
2. Examine and develop options to further reduce the tax burden on property owners.

The committee ultimately held eight hearings over 11 months across the state, including two in the Houston region. Statewide, 321 witnesses provided nearly 50 hours of testimony. The committee's recommendations resulted in Sen. Bettencourt's filing of Senate Bill 2 (SB 2).

The largest direct effect on property tax bills would likely result from the bill's proposal to lower the rollback tax rate from 1.08 to 1.04. This change would mean that any taxing entity proposing to increase its maintenance and operations tax rate by more than four percent (down from eight percent) would trigger an automatic voter-approval process where the new rate must be approved via election. This provision would likely have the effect of slowing the growth of tax rates across taxing entities of all types throughout the state.

Beyond rate-setting, SB 2 touches nearly every part of the property tax system. In addition to improving state oversight via a newly-created advisory board, the bill would make positive changes to appraisal and property valuation, the overall timeline and collection.

Throughout the committee's hearing process, the Partnership's Business Issues Advisory Committee and Board of Directors interacted with Lt. Gov. Patrick and Sen. Bettencourt on the issue. Last year, Sen. Bettencourt met with the Business Issues Advisory Committee on June 7 and spoke before the Partnership's Board of Directors on August 17, where he requested formal Partnership support.

### LEGISLATION PROPOSED

Senate Bill 2 (State of Texas, 85<sup>th</sup> Regular Legislative Session)

### RESOURCES REQUIRED

This recommendation can be implemented with available Greater Houston Partnership staff, and within the current operating budget.

### ACTION REQUIRED

GHP through committee and staff action will develop initiatives to accomplish the purposes of this resolution.