March 15, 2017

The legislative session can be very taxing—literally. However, this session tax reform is at the top of the priority list for both chambers.

SB 2 by Senator Paul Bettencourt (former Harris County Tax-Assessor-Collector) was heard in Senate Finance on Tuesday and NFIB/Texas testified on behalf of the small business community.

During the 2016 interim, Bettencourt chaired the Senate Select Committee on Property Tax Reform & Relief. The committee toured Texas, hearing public testimony and discussing ideas to reform the appraisal system and bring tax relief to Texans (as proposed in SB 2, the Texas Property Tax Reform and Relief Act of 2017). Chairman Bettencourt personally reached out to NFIB, asking us to invite our small business members to provide personal testimony at those hearings. Much of what helped structure SB 2 came from small business owners’ testimonials.

House Ways and Means Chairman Dennis Bonnen filed HB 15, the Property Taxpayer Empowerment Act, which he said is designed to help Texans hold local governments accountable for setting property tax rates. HB 15 would require local governments to publish annually their “No New Taxes Rate,” which is the rate that would raise the same amount of money as the previous year; create a searchable statewide database that gives taxpayers information on how each jurisdiction’s proposed tax rates will directly affect their individual tax bill, along with detailed information about how they can make their voices heard in the local rate-setting process; remove the “Estimate of Tax Due” on appraisal notices. This figure is based on applying last year’s tax rate to this year’s appraisal; restrict debt service taxes to only debt that has been approved by voters; reduce the maximum increase in taxes from 8% to 4%; and make a property tax rollback election automatic after a government taxing unit proposes a rate that exceeds the rollback rate, no longer requiring citizens to gather signatures to petition for a rollback election.

All options on the table are a step in the right direction in providing needed property tax relief for small business owners in Texas.

Stay tuned for the next Spilman Report and inside information into the #txlege.