

PUBLIC COMMENTS

HB 535

HOUSE COMMITTEE ON WAYS & MEANS

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Hearing Date: March 8, 2021 10:00 AM

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Peggy Martin, Ms.

Self, retired Texas Registered Nurse

SAN ANTONIO, TX

I am writing to encourage the Ways and Means Committee to approve HB 535, amending the interest rate calculation for deferred property taxes of senior Texans and disabled Texans.

The interest rate of 8 percent was originally imposed in 1989 and later changed to 5 percent in 2018. It was not lowered during the Great Recession Years of 2007-8 to 2017, a period that saw interest rates on savings accounts go to zero interest. The highest rate during those years, that I am aware of, was 0.02%! We look to our Texas Legislature to correct these discrepancies, but it was not done during that time, resulting in exorbitant interest charges on Texas seniors homesteads.

We began deferring our property taxes in 2007. Since that time the interest on our deferred taxes grew to \$14,500, which is 50% of the taxes owed! Deferring property taxes was supposed to be a program to benefit seniors, and was advertised as, "without penalty". These exorbitant interest amounts do seem more like a penalty.

Therefore, I would like for you to make sure HB 535 includes a resetting of the interest rates for those years, and crediting back the excess interest charges to homeowner's Property Tax accounts. No services were rendered, just a computerized interest calculation year after year. Those credits would then be applied to unpaid or future taxes. It would seem that taxing authorities should not realize a windfall during a recession, while senior homeowners property values are being penalized.

Thank you for your consideration,  
Peggy Martin  
San Antonio, Tx

Dick Lavine

Every Texan

AUSTIN, TX

HB 535 would significantly improve the ability of seniors and other qualified individuals to stay in their homes without pressure from property taxes. Because property taxes are a vital source of support for our schools and local government services, it is important to maintain public support for our tax system by adjusting the system to recognize a homeowner's ability to pay those taxes. HB 535 would greatly improve the effectiveness of our existing deferral program by recognizing the current interest rate environment, in which private-market home equity loans are available for lower rates than offered by statute. Importantly, HB 535 would automatically adjust future deferral rates as market rates change, to keep this program attractive while not lagging behind the market with an artificially fixed rate, as in current law.

With passage of HB 535, Texan seniors would be assured that, if they chose, they could remain in their homes without concern over property taxes..

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