

PUBLIC COMMENTS

HJR 84

HOUSE COMMITTEE ON WAYS & MEANS

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Hearing Date: April 19, 2021 10:00 AM - or upon final adjourn./recess or bill referral if permission granted

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Paul BLANTON

Self

Fort Worth, TX

I Support this HJR. I do not wish to testify.

Carol Blanton

Self

Fort Worth, TX

I support this HJR. It would bring some stability to disabled and elderly's property taxes. I do not wish to testify.

Carter Hicks

Self

Fort Worth, TX

I support this HJR because it will let the Voters decide if a Ceiling should be established for people who are disabled or over 65 and homestead their houses. I do not wish to testify.

Carol Blanton

Self

Fort Worth, TX

I support this HJR. I do not wish to Testify.

Monty Wynn

Texas Municipal League

Austin, TX

Dear Chairman Meyer:

I am writing on behalf of the Texas Municipal League to express our opposition to H.B. 1705 and H.J.R. 84 by Schofield. The bill and accompanying joint resolution would eliminate the local option property tax freeze for seniors and the disabled, and establish a mandatory property tax freeze for all taxing units on the residence homesteads of individuals who are disabled or over 65 and their surviving spouses.

Under current law, many Texas cities have adopted local option property tax freezes for individuals who are elderly or disabled and their surviving spouses. The discretionary nature of the property tax freeze allows city councils to fully evaluate the budgetary impact of the freeze, and move forward with the exemption if it makes sense for the community. Among the factors

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that city leaders must consider when adopting a property tax freeze are the number of homesteads owned by elderly and disabled individuals that would be subject to the limitation, the impact of the property tax burden shift resulting from the freeze, not to mention the city residents' budgetary priorities and needed capital improvements funded by property taxes in a given community. Every city has a different analysis of these factors, which is exactly why the current local-option nature of the property tax freeze framework works so well in Texas. An across-the-board tax freeze mandate ignores local factors that might negatively impact city budgets and other taxpayers.

The fiscal note associated with H.B. 1705 and H.J.R. 84 shows a revenue loss of over \$3 billion dollars to Texas cities, counties, and special purpose district over the next five years. This revenue loss would drive up the no-new-revenue tax rate calculation in taxing units, but at what cost to other taxpayers? If local tax rates increase to make up for the lost revenue by the mandatory freeze, that higher tax rate is then imposed on all taxable properties, including those that do not benefit from the frozen value. This means that other property taxpayers, whether residential or commercial, are forced to pay for the mandatory tax freeze provided by the bill. The end result is a potentially \$3 billion tax shift to make up for the tax freeze provided under H.B. 1705 and H.J.R. 84.

H.B. 1705 and H.J.R. 84 would impose a mandatory tax freeze on homesteads owned by individuals who are elderly and disabled, limiting all local discretion over the imposition of a tax freeze. The result would be a substantial increase in the property tax burden on properties that do not benefit from the freeze. For these reasons, we oppose H.B. 1705 and H.J.R. 84.