

**HOUSE OF REPRESENTATIVES  
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Ways & Means  
For HB 2714

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Hearing Date: April 24, 2023 10:00 AM

Justin Pfeiffer, Esq.  
City of La Marque, Texas  
Houston, TX

I write on behalf of the City of La Marque, Texas in strong support of HB 2714, which provides important technical corrections to the Property Tax Reform and Relief Act of 2019 (“S.B. 2”).

S.B. 2 requires a taxing unit’s designated officer or employee to use certain “tax rate calculation forms” prescribed by the comptroller to calculate the no-new-revenue tax rate and the voter-approval tax rate, TEX. TAX CODE § 26.04(d–1), which the taxing unit then provides to the county tax accessor for posting on a publicly available website, TEX. TAX CODE § 26.16(d–1), by “August 7 or as soon thereafter as practicable,” TEX. TAX CODE § 26.16(d–2). If a municipality’s governing body adopts a tax rate above the voter-approval rate, the governing body must call an election for voter approval no “later than the 71st day before the date of the election.” TEX. TAX CODE § 26.07(c). Because elections occur in early November and the call must occur by late August, the soft August 7 deadline ensures a reasonable time period for citizen participation before the taxing unit’s governing body makes a decision.

HB 2714 codifies what is already inherently allowed by the statute – a taxing unit’s authority to correct an errant calculation provided that the taxing unit does not contravene the mandatory election provision. Rather, HB 2714 requires a municipality to increase or decrease the unused increment rate – the excess of the voter-approval less the taxing unit’s actual tax rate – to provide the taxing unit’s voters the most accurate information possible. After all, this body enacted S.B. 2 to “make information about the tax rates proposed by local taxing units more accessible to property owners.” Bill Analysis, Tex. S.B. 2, 86th Leg., R.S. (2019), p. 1.

Simply put, HB 2714 ensures that no taxing unit unjustly benefits from a calculation error. For example, if a municipality overstates the voter-approval rate by \$0.05 per \$100 valuation, then – through adjustment to the unused increment rate – there would be an appropriate adjustment to the following year’s voter-approval rate by a similar amount.

Opponents may claim that passage of this bill would disincentivize municipalities from correctly calculating the tax rate calculation forms the first time around. The problem with that view is that the 80-step calculation process mandated by this body requires the use of estimated property values, adjustments based on appraisal protests, and receipt of information from numerous other governmental entities. Such introduces multiple opportunities for genuine error both in favor of the municipality’s property owners and the municipality. Regardless of who benefits, the error should be corrected. HB 2714 does that.

Thus, HB 2714 is in line with the original intent of S.B. 2. Its mandatory provision ensures absolute transparency and fairness in the assessment process.

Cheryl Johnson  
Galveston County Tax Office  
Galveston, TX

I oppose passage of this legislation as it is unnecessary and could potentially result in inflated unused increment rate. There could also be confusion if the published rates do not align.