

# THE INSIDER



(HERE ARE YOUR FIVE INSIGHTS FOR THE MONTH)

HAR Governmental Affairs E-Newsletter

April 2016—Vol. 3

## The Hidden Property Tax

The Texas Association of REALTORS® (TAR) has begun a new Issues Mobilization Campaign titled, “The Hidden Property Tax.” Over the last two decades, local property taxes have increased so rapidly that many property owners are being forced to sell their properties—and taxpayer frustration is reaching a boiling point.

There are two basic components to the property tax:

- **Appraised value**
- **Tax rate**

In recent years, local taxing entities (cities, counties, school districts, etc) have netted tremendous gains in revenue due to rapidly increasing appraisal values. Relying on appraisal increases—not rate increases—enables taxing entities to claim that they “haven’t raised taxes,” when in truth, taxpayer bills have been increasing dramatically.

That’s why it’s called **The Hidden Property Tax**.

In addition, over the last two decades, the state has reduced its share of public education funding from 52 percent in 1985 to 44 percent in 2015. This drop in state funding has forced many school districts to raise tax rates to their constitutional limit. In other words, as property values increase, the Texas Legislature has gradually shifted a higher percentage of public school finance to local property owners.

### What’s The Solution?

TAR believes tax increases should be derived from the rate side of the equation—not the appraisal side. In other words, local taxing jurisdictions shouldn’t get an “automatic raise” on the backs of a property owner’s unrealized gain.

Potential solutions might include lowering the rollback rate, requiring an automatic election if a tax entity exceeds the rollback rate, lowering the appraisal cap on residential homesteads, expanding the appraisal cap to all real property, and increasing the states’ share of support of public education funding.

As leading advocates for property owners, Texas REALTORS® support:

- Lowering the rollback rate from its current level of 8%
- Requiring an automatic election if a taxing entity exceeds the rollback rate
- Defending taxpayer’s constitutional protections under the “equal and uniform” provision
- Increasing the states’ share of public education funding to 50% (current level is 44%)



#### Save the Date!

REALTOR® Party State  
Legislative Discussion

**Friday, April 22nd** at the  
Norris Conference Center

#### Save the Date!

NAR REALTORS®  
Legislative Meetings & Trade  
Expo in Washington D.C.

**May 9-14**

[Click here to register!](#)

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## The Hidden Property Tax (cont.)

### What's The Latest?

In 2015, Lt. Gov. Dan Patrick created the Select Committee on Property Tax Reform to discuss ways to rein in local property taxes. This bi-partisan committee, chaired by Sen. Paul Bettencourt (R-Houston), is traveling around the state of Texas to hear from property owners on how the local property tax system should be fixed.

### Why Texas REALTORS® Care

Attainable and sustainable homeownership is a key priority for Texas REALTORS®. Skyrocketing property-tax bills are in direct conflict with that priority because they dramatically affect housing affordability.

In fact, property taxes have increased to the point that a significant number of Texans are being taxed out of their homes. The issue is especially grave for Texans on a fixed income.

The Texas Association of REALTORS® has been involved in policy discussions about the local property taxes for over 40 years. For the past several years, TAR has supported a standing legislative subcommittee on Taxation. Composed of Texas REALTORS® from across the state, this group is charged with reviewing local property taxes and the property appraisal process.

### TheHiddenPropertyTax.com

TAR is proud to present **TheHiddenPropertyTax.com**, a site that will serve as the focal point of an initiative to shed some light on the Texas system of property appraisal and taxation.

### What's The Goal?

There are several goals behind this initiative:

- Improve public understanding of the property-tax system, including timelines and recourses for property owners.
- Empower taxpayers by ensuring transparency and accountability in the property appraisal and taxation system.
- Support legislation to provide meaningful, long-term property tax relief.
- Establish Texas REALTORS® as leading consumer advocates for property-tax and appraisal reform.
- Establish the Texas REALTORS® as a leading resource for policy discussions related to property appraisal and taxation.

## Governmental Affairs Update

The Governmental Affairs Department is in the process of coordinating a panel discussion/educational forum that will provide an overview on affordable/workforce housing options. The panel would include representatives from the following agencies:

- U.S. Department of Housing and Urban Development
- Texas Department of Housing & Community Affairs
- Harris County Housing Authority
- Houston Housing Authority
- City of Houston Housing & Community Development

Once a date and venue has been solidified, we will circulate that information. If you have any ideas or suggestions for the program please contact Mary Hinojosa at [mary.hinojosa@har.com](mailto:mary.hinojosa@har.com).

**Governmental Affairs Update**

# TREPAC Events

## April Showers?

Don't worry. TREPAC's got you covered. Join us for the annual HAR Fort Bend TREPAC Auction...

**Thursday, April 21, 2016**

11:30 a.m. to 1:30 p.m.  
The event will be held during the Fort Bend Networking Luncheon.  
Sweetwater Country Club  
4400 Palm Royale Blvd.  
Sugar Land, TX 77479

To donate an auction item contact Karen Driscoll: karen@har.com

To RSVP to the Luncheon contact Linda Jow Kraner: linda.kraner@alamotitle.com



## Singing in the Rain Auction



April Showers? Don't worry. TREPAC's got you covered. This month at the Fort Bend Area Networking Luncheon, HAR TREPAC will host a live auction and we need your help!

If you would like to donate an item to the auction, please contact Karen Driscoll at Karen@har.com.

If you would like to RSVP to the event contact Linda Jow Kraner: linda.kraner@alamotitle.com

# HAR Recommended Candidates for the City of Pearland and Sugar Land 2016 Elections

The HAR Board of Directors approved the following candidates listed below for recommendation in the upcoming May 7 Elections for the City of Pearland and the City of Sugar Land. The Bay Area Political Affairs Advisory Leadership, chaired by Troy Cothran, conducted candidate interviews for Pearland City Council Positions 1 and 5 as well as the newly created Position 6. Bay Area PAAL and HAR Board of Directors are recommending to stay neutral in the Pearland Position 6 race at this time because there are four candidates running and there will almost certainly be a run-off. The Bay Area PAAL plans to revisit the race after May 7. The Fort Bend Political Affairs Advisory Leadership, chaired by Tina Wilcher, conducted candidate interviews for Sugar Land Mayor and Sugar Land City Council At-Large Positions 1 and 2.

## Pearland City Council Recommended Candidates



Tony Carbone, Position 1



Greg Hill, Position 5

## Sugar Land City Council Recommended Candidates



Joe Zimmerman, Mayor



Himesh Gandhi, At-Large Position 1



Mary Joyce, At-Large Position 2

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Check out HAR Connect

Read your weekly HART-beat

Read the TAR Legislative Liaison

Visit the NAR REALTOR® Action Center

# Regional Monthly Recap

## In March...

### Harris County

- U.S. Department of Housing and Urban Development (HUD) announced that the City of Houston will receive \$66.56 million to assist disaster recovery efforts following significant flooding during Memorial Day weekend and October of 2015. Besides allowing for housing assistance to Houston's low- to moderate- income families, the new grant can be used for economic development and infrastructure to help meet needs resulting from flood damage.
- Houston City Council approved a new contract with Waste Management of Texas, Inc. that will allow the city to continue offering recycling services without any disruption. This is a two-year contract with a \$90 per ton processing fee and a guarantee to Waste Management of at least 75 percent of the City's recycling stream. The new agreement saves the City more than \$900 thousand per year and \$2 million over the two year period.

### Bay Area Houston

- Pasadena City Council voted to approve an ordinance increasing the city's water and sewer rates. The city council voted unanimously to amend the item to change the base rate on sprinklers, and to postpone an additional automatic increase set for September, to be based on the Consumer Price Index.
- Pearland City Council voted to approve an ordinance amending the city's Land Use Matrix. The purpose of the proposed changes is provide the city council and the Planning and Zoning Commission an opportunity to review the suitability of the particular use in the zoning district through a Conditional Use Permit. Conditional uses are those uses which are generally compatible with the permitted land uses in a given zoning district, which require individual review of their proposed location, design and configuration. Another reasoning for the changes is the correction of typographical errors, expansion of descriptions and elimination of duplicate entries.

### Fort Bend County

- Missouri City City Council voted unanimously to adopt a resolution ratifying the creation of the Missouri City Parks Foundation and submitting an application for the formation of the foundation. The non-profit foundation will be charged with raising funds for parks capital projects.
- Sugar Land City Council voted to adopt a resolution authorizing the publication of a notice of intent to issue certificates of obligation in an amount not to exceed \$22.5 million. The debt issuance will fund projects included in the FY2016 Capital Improvements Program. Projects include University Boulevard North, improvements to State Highway 6 from Brooks Street to Lexington, pavement rehabilitation, and various drainage improvement projects.

### Montgomery County

- The Woodlands Township Board of Directors approved a \$1 round-trip fare increase for The Woodlands Express, which is a park-and-ride system that provides round-trip bus service from The Woodlands to Houston on weekdays. The increase will be effective May 2.

# Important Dates

- April 6:** Montgomery County Networking Brunch– 9-11 a.m., River Plantation Country Club, 550 Country Club Drive, Conroe, TX. RSVP to realtorlunch-eon@gmail.com
- April 7:** Last day to register to vote in May 7 Election
- April 11:** PAAG will meet at HAR central for HD 150 interviews and to review HD 139.
- April 12:** PAAG and Montgomery County PAAL will meet at HAR Montgomery County branch to interview for HD 18.
- April 13:** Bay Area Realtor Networking Breakfast– 8:15-9:45 a.m., Luby's, 4709 Center Street, Deer Park, TX. RSVP to Troy Cothran at troythestarfish@aol.com.
- April 13:** Greater Northwest Breakfast– 8:30-10:00 a.m., Raveneaux Country Club, 9415 Cypresswood Drive, Spring, TX. RSVP to Ben Bryant at benbryantsells@gmail.com
- April 21:** Fort Bend Networking & Business Luncheon/TREPAC Auction– 11:30 a.m.-1:15 p.m., Sweetwater County Club, 4400 Palm Royale Blvd, Sugar Land, TX. RSVP to Linda Kraner at linda.kraner@alamotitle.com.
- April 22:** State Legislative Update Event at Norris Conference, hosted by HAR Governmental Affairs and TREPAC departments– 9:30-11:00 a.m.
- April 25—May 3:** Early Voting period for May 7 Election
- May 7:** Local elections for the cities of Pearland, Missouri City, Sugar Land. Special election for State House District 139.
- May 9-14:** NAR REALTOR® Legislative Meetings & Trade Expo in Washington D.C.
- May 11-May 12:** Meetings with Greater Houston Members of Congress at Tortilla Coast in Washington D.C.
- May 24:** Primary Election Runoff
- November 8:** General Election Day

## Contact Us

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