

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

88th Texas Legislature November 7, 2023, Election

Published by the Texas Legislative Council August 2023

Lieutenant Governor Dan Patrick, Joint Chair Speaker Dade Phelan, Joint Chair
Jeff Archer, Executive Director

SUMMARY OF COMMENTS

The following comments supporting or opposing the proposed amendment reflect positions that were presented in committee proceedings, during house or senate floor debate, or in the analysis of the resolution prepared by the House Research Organization (HRO) when the resolution was considered by the House of Representatives.

Comments by Supporters

- Since Texas taxpayers are responsible for the state's historic budget surplus, the state should ensure that some of the surplus funds are returned to taxpayers. The proposed amendment will do so by helping to deliver the largest tax cut in state history.
- At a time in which many Texans are struggling to stay in their homes due to rapidly increasing property tax burdens, it is appropriate for the state to step in and dedicate money to help alleviate this burden.
- Increasing the residence homestead exemption to \$100,000 will be especially beneficial to the owners of moderately priced homes—the type of homeowner in the greatest need of property tax relief.
- While renters do not receive direct relief from the proposed amendment, they will still benefit substantially because residential and commercial landlords are going to see their tax burden reduced and those savings will enable landlords to avoid rent increases and even reduce rents.
- By providing tax relief for commercial property owners, the proposed resolution could help stabilize businesses struggling under the weight of rising property taxes and help them to further grow and aid in the state's overall economic expansion.
- The limit on the increase in the appraised value of non-homestead real property provided for in the proposed amendment will help small business owners stay in business and provide greater predictability to Texans who are helping to drive the state's economy.
- By making some positions on an appraisal district's board of directors elected positions in certain counties, appraisal districts in those counties will be more directly accountable to local taxpayers.

Comments by Opponents

- Increasing the residence homestead exemption by such a large amount could result in a shift of the tax burden from homeowners to business owners, which could result in higher prices for consumers.
- The proposed amendment does not go far enough since it does not put the state on a path toward eliminating property taxes entirely.

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

88th Texas Legislature November 7, 2023, Election

- Because the tax rate compression may be only temporary if state funding at the increased levels is not maintained, not much actual relief is being provided. Any property tax relief needs to be permanent.
- By reducing property taxes, public education funding is placed in jeopardy as other revenues made available for public schools, such as sales tax revenues, are more volatile and less predictable than property taxes.
- Nearly four million Texans are renters, and the proposed amendment does nothing to provide them any direct financial relief.
- The proposed tax relief is not targeted enough to those who are struggling the most. The state's historic budget surplus should not be funneled directly to businesses and the wealthy.
- Individuals running for the elected seats on an appraisal district's board of directors may not be focused enough on the overall business of the board and instead focus too heavily on reducing property values.