
Governor Abbott's Property Tax Proposal

January 17, 2018

Restraining the Growth of Property Taxes

1. Limit each jurisdiction's property tax growth to no more than 2.5 percent per year (taxes on new construction would be exempt from the limit—allowing a proxy for population growth). A jurisdiction could exceed the 2.5 percent limit only for compensation costs of first responders and teachers and for certain infrastructure costs. A 2/3 supermajority vote of the governing board, *and* a 2/3 supermajority public vote would be required to approve the higher taxes to fund those items; however, under no circumstances could the increase above the cap exceed the statewide increase of the sum of population and inflation.
2. Prohibit the legislature from imposing unfunded mandates on cities and counties.
3. Require central appraisal district (CAD) directors to be locally-elected officials (though the director positions would not be elective offices).
4. Reform the appraisal dispute process, including:
 - Create a Comptroller-appointed property tax administration advisory board,
 - Require enhanced training for appraisal review board members,
 - Eliminate the property tax education requirement for arbitrators,
 - Require the CAD chair and secretary be appointed by the local administrative judge rather than the CAD board itself,
 - Prohibit a property subject to an ARB appeal from being appraised at a level higher than the CAD appraisal, and
 - Improve ARB hearing notice and scheduling requirements.
5. Create a real-time tax notice, to be administered by the Comptroller.

Local Debt

1. Transparency:
 - Require certain financial information about the debt to be included on the ballot,
 - Prohibit the use of debt for certain non-specified purposes, and
 - Restrict the use of certificates of obligation.
2. Require a 2/3 supermajority vote of both the governing board and a district's voters in order to approve and issue new debt