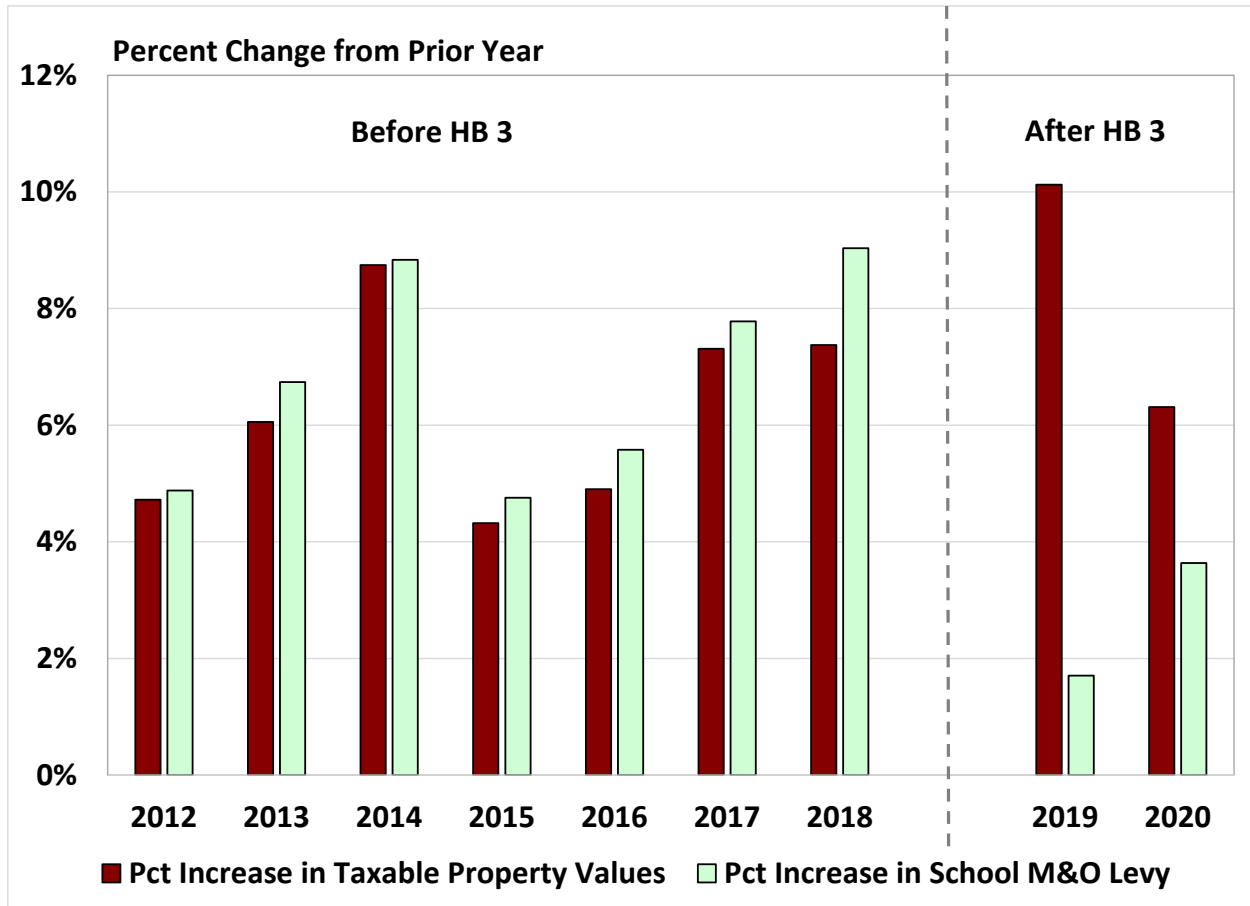

The Legislature is Bringing Spiraling Property Taxes Under Control

Testimony of Dale Craymer, President, TTARA



Prior to the passage of HB 3 in 2019, rising property values acted to drive up school tax bills. As values grew, state aid formulas saw that districts were “wealthier,” qualifying for a lower amount of state aid. Districts therefore had to keep tax rates high to offset losses in state aid. Consequently, as school values grew, school tax levies, and Texans’ bills, grew at essentially the same rate.

With HB 3, as a school district’s property values grow, it no longer faces a substantial reduction in state aid. Schools instead are required to reduce their tax rates to help hold the line on tax bills. Rising values no longer drive our local school property tax bills; rising values help lower tax rates.

- **HB 3 saved Texas taxpayers \$7.5 billion over the past two years: \$3.3 billion in 2019 and \$4.2 billion in 2020.**
- **In the two years prior to HB 3 taking effect, school tax levies for M&O rose 18%. In the two years since HB 3 took effect, school M&O tax levies have increased by only 5%.**
- **In the past two years, HB 3 has lowered school tax rates for M&O by 9.5%**

TTARA supports SB 1 to add further fuel to the fire of tax relief.