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Harris County Commissioners Court Advances Double Digit Property Tax Bill Hike

Despite a record increasing tax roll of a half trillion, Commissioners Raise Property Tax Rate with 3-2 Vote

Houston, Texas - During the recent Harris County Commissioner Court meeting, the commissioners proposed a massive double digit property tax rate increase. On the average home, slightly under \$180,000 in taxable value, this means a 12% (\$131) increase on their Fall 2019 property tax bill. For revenue into county coffers, this is an astonishing 10%+ proposed increase, or over \$200 million, because they have proposed raising the property tax rate for the first time in twenty years on top of an already strong appraisal roll. Commissioner Cagle (R-Harris County), seconded by Commissioner Radack (R-Harris County) moved to reduce the tax rate in the face of raising property appraisals in the county, but this effort failed 2-3. Then, Judge Lina Hidalgo (D-Harris County), Commissioners Rodney Ellis (D-Harris County) and Adrian Garcia (D-Harris County) voted to raise the property tax rate all the way to the existing 8% rollback limit, the last year this high limit applies to cities and counties with population over 30,000.

"This is a 'Maximum Smash' on Taxpayers the last year before Senate Bill 2 takes effect in 2020, reducing the rollback rate from 8% to 3.5%," said Senator Bettencourt. **"Cities and Counties will both still be allowed to add a value for new construction which is why Harris County can collect a double digit revenue increase of \$200 million plus this property tax year."**

For the average home with a taxable value of \$179,660, the homeowner will see an estimated 12.6% tax increase, or roughly \$131.50 more, from last years tax bill. Per the attached chart, \$91 is from the taxable value increase and \$40 is from the proposed tax rate increase of 2.262 pennies to a new high 65.260 pennies per \$100 of value.

"The key point is that such an onerous tax increase next year would require commissioners court to take it to the voters for ratification in November," continued Senator Bettencourt. **"It is bad enough public policy that they can have a double digit increase in 2019, but SB2 will stop these preposterous increases in 2020 and leave it up to the voters to decide in a November election, as opposed to the being 'Taxed To The Max' on a 3-2 vote."**

Senate Bill 2, Authored by Senator Bettencourt and passed in the last legislative session on a bipartisan vote, provides the first change in the property rollback rate in 38 years by lowering it from 8% to 3.5% for Cities and Counties starting in 2020. These taxing units across the State of Texas, if they propose a rate higher than the new "voter approval" rate of 3.5%, must seek this voter approval in an automatic November election to exceed the new rate limit.

| Harris County Property Tax Revenue Growth Estimates | | | |
|---|----------------|----------------|------------------------------|
| | FY 2019 | 2020 Estimates | Estimated One Year Increases |
| Total Taxes Levied (in thousands) | \$ 1,997,539 | \$ 2,206,321 | \$ 208,781,959 |
| Yearly Tax Levy Growth | 0.00% | 10.45% | 10.45% |
| Total Taxable Assessed Value (in thousands) | \$ 448,414,364 | \$ 483,081,667 | \$ 34,667,303,000 |
| Yearly Taxable Assessed Value Growth | 0.00% | 7.73% | 7.73% |

Data Source: Harris County FY 2019 CAFR Table 5, Pg 178, Table 10, Pg 183 and Table 11, Pg 184
2020 Taxable Assessed Value estimate from HCAD on August 13, 2019 to Ann Harris Bennett.
2020 Total Taxes Levied estimate is calculated using Proposed Total Combined Rate of 50.65260.
All percentages are calculated.

| Harris County Commissioners Court Proposed Tax Increase | |
|--|-----------|
| Value Growth Increase | \$ 90.90 |
| Avg. Taxable Home Value Has Increased Over \$14,000 In The Past Year | |
| Tax Rate Growth Increase | \$ 40.64 |
| 2019 Proposed Property Tax Rate Increase Of \$0.02262 | |
| Total Tax Bill Growth in 2019 | \$ 131.54 |
| Based on Avg. Taxable Home Value of \$179,660 | |

"Average homeowners in Harris County are not getting a 12% pay raise and they shouldn't be paying a 12% tax hike either," concluded Senator Bettencourt.

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