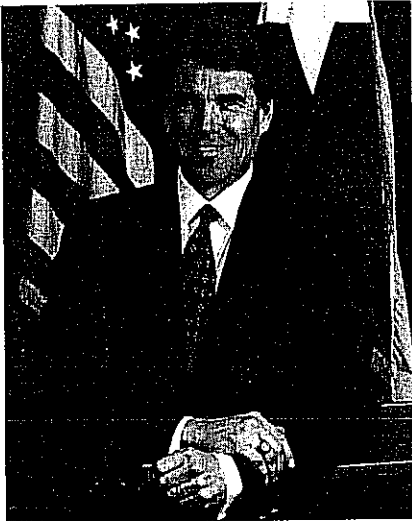


More property tax reform needed in Texas

Gov. Rick Perry addresses the need for lasting property tax relief for property owners in Texas.



By Gov. Rick Perry

To give Texans a say before raising property taxes, we need additional appraisal reform. Otherwise the recent property cuts carved out in the 2006 special session will be eaten away in the next few years because of rising property values.

To have true, lasting property tax relief for property owners in Texas, both sides of the tax equation must be addressed. Your tax bill is a product of two factors, the tax rate and the taxable value (determined by appraisal). The massive property tax reform legislation that passed in 2006 was sweeping in scope yet still only tackled half the property tax equation, the tax-rate side, and left future legislatures with the responsibility to address the other half of the formula, appraisals. Last year, a task force I created recommended ways to soften the effects of rising property values through appraisal reform, but the Legislature chose to not make significant changes to the appraisal system.

Without a vote, a person's property taxes can grow exponentially in a few short years when runaway appraisal growth kicks in and prices some businesses and homeowners out of their property. Though the taxable value of your primary home in Texas is limited for school districts, there is no limit for a secondary home or commercial property. And there is no appraisal cap for how much counties, cities and special taxing districts can value your property.

High property taxes are bad business for Texas. They cost Texans jobs when businesses downsize because of added taxes, and they cost consumers money in terms of higher prices. So obviously if property taxes rise, Texans are priced out of their part of the American dream.

We need to protect Texas families and business owners from stealth tax hikes. Today Texans pay more taxes without the choice to vote on the issue because the people setting the values of property are unelected officials. That is just not right.

We need new laws that will improve the accuracy of appraisals, ensuring taxpayers are no longer rendered powerless in stopping large tax and spending increases that often occur without even a vote of their local representatives. If property taxes are going to increase, they need to do so with a public vote, not with an appraiser's note.

One way to keep the power to control taxes in the hands of the voters is through revenue caps. Revenue caps help ensure that as appraisals increase and new property is added to the tax rolls, tax rates decrease.

Another solution to high property taxes would be to change the constitution to allow taxpayers the option of calculating their property taxes using a five-year rolling average of the property's appraised value. This is one idea that came out of a package of recommendations from the Task Force on Appraisal Reform, and it would slow the increase

in appraised value. This helps taxpayers anticipate and budget for what taxes they would owe.

Their full package of recommendations provides better protections for taxpayers from silent tax hikes, elected representation on the appraisal review boards (ARB) and greater tax predictability for homebuyers and business owners.

To give taxpayers a voice, the task force recommends changing the makeup of the ARBs. For instance placing an elected official, like the tax assessor collector, on each ARB would provide taxpayers with representation. Currently, members of our appraisal boards, including chief appraisers, are not elected nor directly accountable to taxpayers. Therefore, taxpayers do not have an elected official who oversees how much in taxes they will pay.

This last legislative session, our leaders passed some good measures, including making the process faster for people to appeal the assessed value of their property by splitting the time period for commercial and residential owners to petition their property value. But we still need more reform.

There are many ways to do the right thing when it comes to calculating property taxes in Texas. Legislators need to liberate Texans from sly tax hikes and finally reform our appraisal system. ❁