

Senate Bill 2

Texas Property Tax Reform

and Transparency Act of

2019



Estimates provided by
Senator Paul Bettencourt, SD 7

Major Property Tax Law Changes with SB2/HB3

- M&O Property Tax rates to be compressed to 0.93 for tax year 2019. Estimate 7 to 8 penny tax rate reduction on fall property tax bills.
- Cities and Counties over 30,000 in population have a rollback rate reduction from 8% to 3.5% in 2020. This is the first reduction of rollback rates in 38 years.
- School M&O property tax levy cap of 2.5% for individual school districts starting in 2020. Restructuring of local property tax revenues to be replaced by state revenues district by district basis.
- Thus, up to 8 pennies of a tax rate cut in 2019 before the 3.5% and 2.5% limits take effect in 2020. Estimate on a median valued home of \$187,392 in 2019 would be a saving of \$735 to \$1066 by 2024. (see chart)

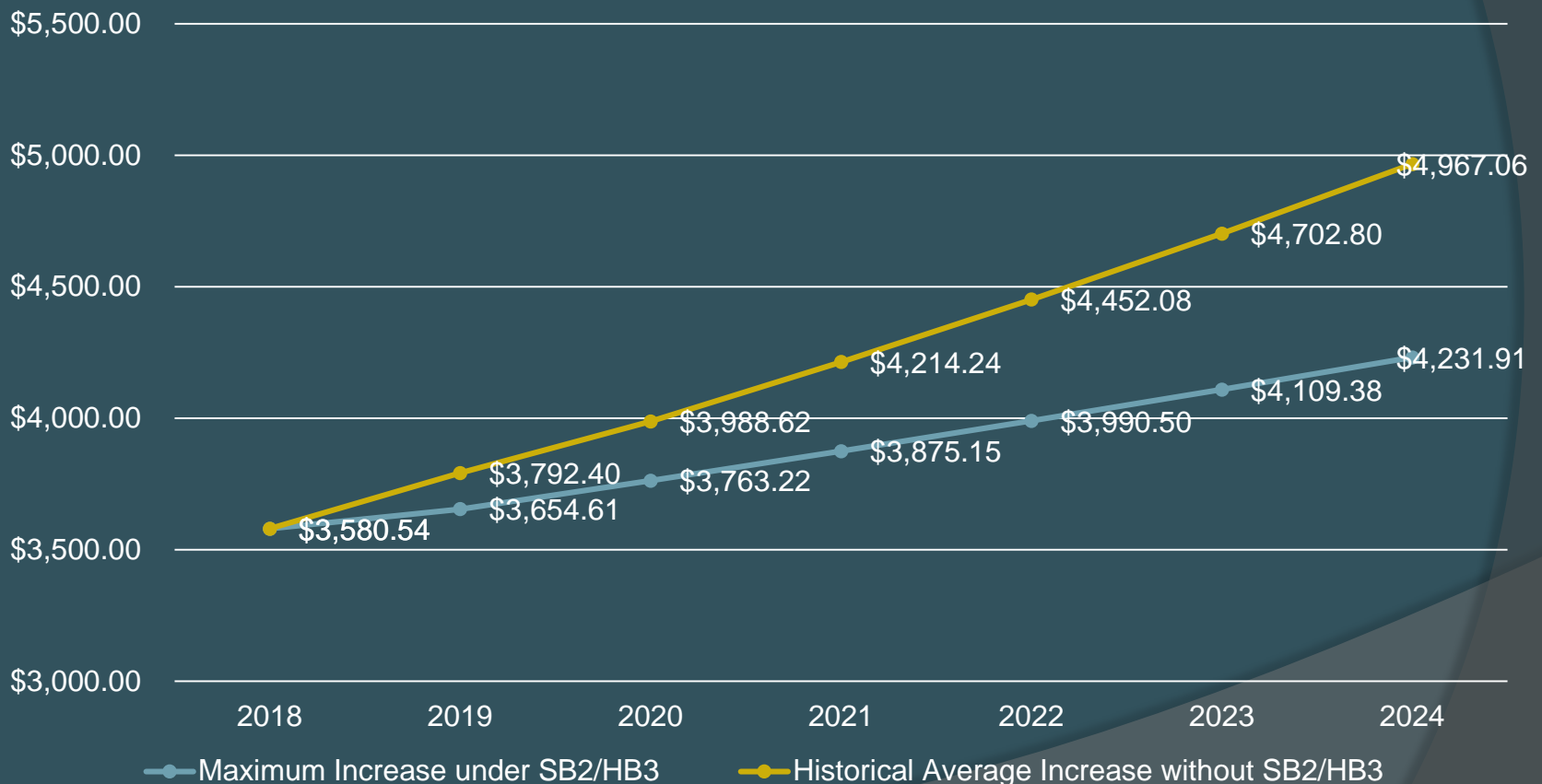
Estimates provided by Senator Paul Bettencourt, SD 7

Sources: Texas Comptroller of Public Accounts

Projections based historical trends and school district homestead values for an average home in Texas.

Estimated Property Tax Bill Savings on a Median Valued Home in Texas

Using Comptroller estimates for 2020 and historical averages for 2021-2024, the average home owner is projected to save \$735.15 between 2019-2024



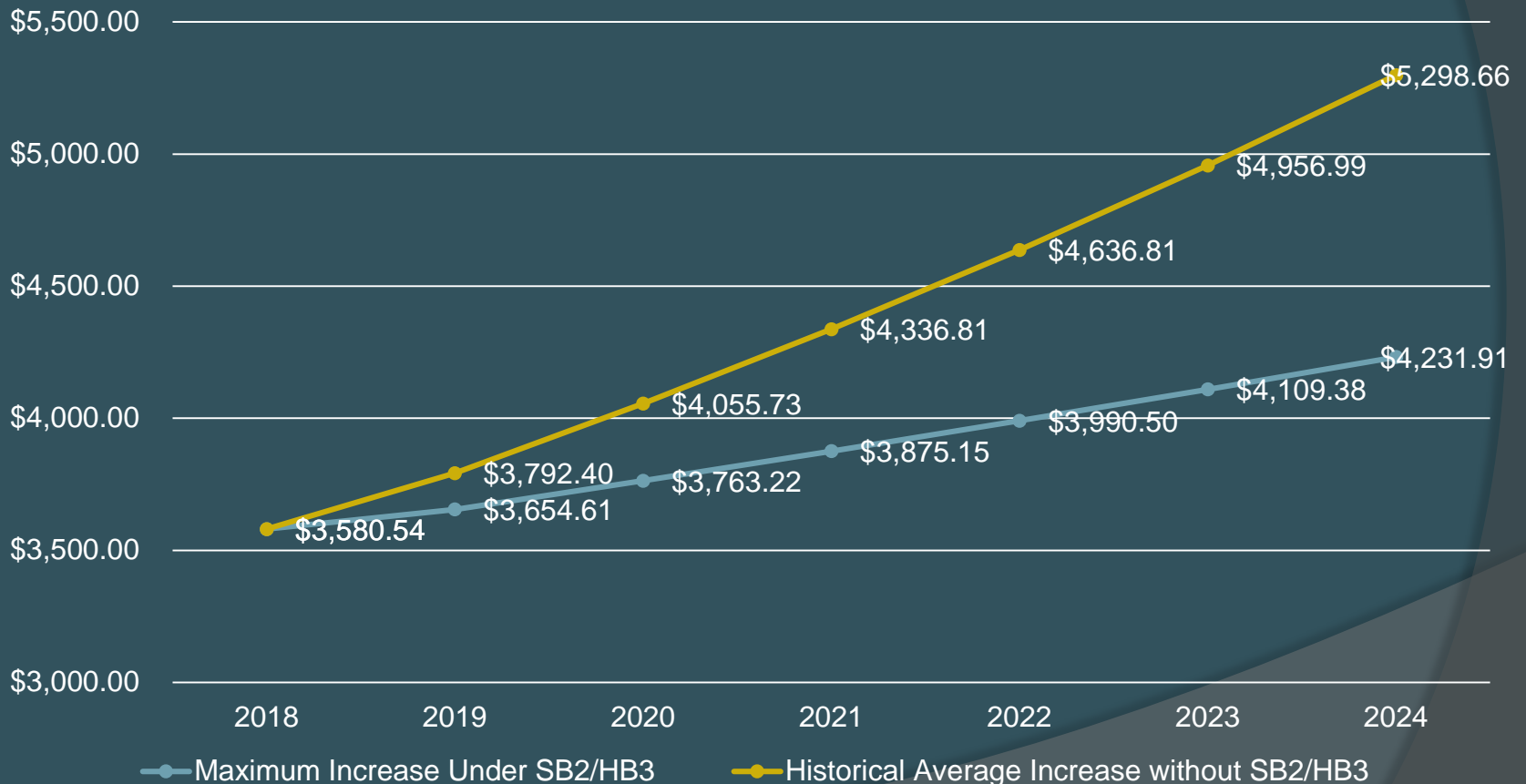
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Projections based historical trends and school district homestead values for an average home in Texas.

Property Tax Bill Savings Estimates for a Median Valued Home

Using an above average 5.8% growth in 2018 through 2014, the average homeowner is projected to save \$1,066.76 between 2019-2024



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Projections based historical trends and school district homestead values for average home in Texas.