



CITY OF HOUSTON

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April 12, 2021

The Honorable Jane Nelson
Chair, Senate Finance Committee
P.O. Box 2910
Austin, Texas 78711-2068

Dear Senator Nelson and members of Senate Finance,

The Senate Committee on Property Tax Interim Report dated November 2020 referenced “ambiguity within the law” currently present in the Tax Code relating to the definition of a disaster. The bill seeks to provide for a more narrow and targeted definition of disaster. The bill as currently drafted seeks to clarify this language and the change would go into effect on September 1, 2021, and thus, impacts tax year 2021/fiscal year 2022. We would request that this committee, if adopting this bill, delay the effective date until tax year 2022/fiscal year 2023 as taxing units relied upon their best faith interpretations of the provisions in question, as they currently exist in preparing the upcoming fiscal year 2022 budgets.

The City of Houston’s fiscal year begins July 1, and preparations for the upcoming budget have been underway since before the legislative session began. Changing the rules in the middle of the game would pose great difficulty and challenges in preparing a budget for a fiscal year which starts less than 90 days from today.

In the same spirit of removing “ambiguity”, we earnestly request this committee to remove the ambiguity in Section 26.012(13) as it relates to certain calculations made when taxing units must set their tax rates. The current ambiguities pertaining to Chapter 42 values under appeal, pursuant to amendments made in Senate Bill 2, ultimately resulted in a lack of uniformity in application by appraisal districts across the state. Codification of a uniform application would provide for consistency for all taxing units; consistency that is ultimately passed down to property owners. Such ambiguities could be addressed if SB 1131 as filed by Senator Paxton is enacted.

While this committee seeks to remove statutory “ambiguity” in the Tax Code through SB 1438, we respectfully request that it go further and remove the ambiguity present regarding Chapter 42 values under appeal.

Additionally, in the interest of uniformity statewide, we would respectively ask that this committee enact legislation that all requirements in Chapter 26 supersede any provision of a municipal charter or ordinance relating to property taxation.

Sincerely,

DocuSigned by:

A blue ink signature of Melissa Dubowski.

Melissa Dubowski

Deputy Director, Finance Department – City of Houston