



# Property Tax Reform Policy Guide:

Creating a More Equitable and Fair Tax System  
for Texas Homeowners

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## Executive Summary

This policy guide presents four state legislative reforms to protect vulnerable homeowners in Texas from steep property tax hikes and create a more equitable tax system. Texas' property tax system creates significant challenges for low- and moderate-income homeowners, particularly in neighborhoods with rapidly rising property values. Many homeowners with fixed incomes or limited resources face tax increases that outpace their ability to pay, jeopardizing their financial security and housing stability. Current property tax exemptions fail to provide adequate and equitable protections for these homeowners, underscoring the need for reform.

### Recommendations for Reform

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#### 1. Enable flat-dollar residential homestead exemptions.

- A flat-dollar exemption is the most equitable form of uniform tax relief for homeowners. A flat-dollar exemption of \$50,000, for example, reduces a home's taxable value by \$50,000, offering consistent tax relief across the board.
- In 2023, Texas voters overwhelmingly approved a \$100,000 flat-dollar exemption for school district taxes, demonstrating broad support for this approach. Other local taxing jurisdictions, including cities and counties, are restricted to a percentage-based exemption, which favors owners of high-value homes.

#### 2. Adopt a property circuit breaker program for income-eligible homeowners.

- Circuit breaker programs provide a property tax credit or rebate when taxes exceed a specific percentage of a low-income homeowner's household income.
- Property tax circuit breaker programs are the most effective tool for providing targeted tax relief for homeowners facing high property tax burdens relative to their income. Texas is one of just six states that currently does not offer any income-targeted property tax relief for homeowners.

#### 3. Require sales price disclosure for properties.

- Sales price disclosure laws require the disclosure of a property's sale price whenever property is sold, improving assessment accuracy and fairer distribution of tax burdens. Texas is one of only 12 states without such a law.
- Sales price disclosure laws, which vary in structure and scope, often focus on commercial and industrial sales, which are the most commonly undervalued properties.

#### 4. Restore homestead exemptions for undocumented homeowners.

- Until 2012, all taxpayers in Texas could access a homestead exemption on their primary residence, regardless of immigration status. Reinstating access to the state's homestead exemption for undocumented homeowners would foster community stability and economic security for families across the state.

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## Foreword

In our efforts to deliver equitable development in the West Dallas community, residents — while appreciative of our affordable housing initiatives — repeatedly voiced concerns about rapid and unsustainable increases in their property tax bills. In some cases, families saw their bills spike by more than \$2,000 from one year to the next, leading to increased displacement pressure. As a firm, we understood that addressing property tax concerns effectively would require both service-based and systemic solutions.

To provide temporary relief, Builders of Hope Community Development Corporation (BOHCDC) created the West Dallas Property Tax Assistance Program (PTAP), which directs financial relief to legacy residents struggling to pay their tax bills. While the fund is highly impactful, policy change is needed at the legislative level to assure long-term relief is provided to vulnerable residents. We are honored to partner with the University of Texas School of Law's Housing Policy Clinic to create this Texas Property Tax Reform Policy Guide — an initiative aiming to offer meaningful, well-vetted policies to provide much needed relief to Texas homeowners who need it most.

J. A. Armstrong III, President & CEO, Builders of Hope CDC

## Introduction<sup>1</sup>

Texas' property tax system creates significant challenges for low- and moderate-income homeowners, especially in neighborhoods with rapidly rising property values. Large tax increases often outpace residents' ability to pay, leading to financial strain and displacement. This guide outlines four property tax reforms designed to foster a more equitable system and protect vulnerable homeowners from these pressures:

- Allowing cities and counties to adopt a flat-dollar residential homestead exemption
- Adopting a circuit-breaker program for low-income homeowners
- Requiring sales price disclosure for properties
- Reinstating the homestead exemption for undocumented homeowners

## Understanding the Issue

In recent years, many long-time homeowners in low-income Texas communities have faced steep and disproportionate property tax hikes due to redevelopment pressures and a surge in property values. For example, in one older Dallas neighborhood, the average home price increased from \$75,325 in 2016 to \$239,722 in 2023.<sup>2</sup> Property taxes for many residents in the community quadrupled, straining limited budgets and exacerbating housing instability.<sup>3</sup>

Despite existing programs to reduce property tax burdens, Texas' current system falls short in protecting low- and moderate-income homeowners and is inequitable in many ways. For instance, the lowest-income homeowners in Texas spend 1.7 times more of their income on property taxes compared to the wealthiest homeowners.<sup>4</sup>

Additionally, state law excludes undocumented homeowners from accessing homestead exemptions, leaving them with significantly higher property tax burdens and financial strain than their neighbors. Texas is also one of the few states that does not require property sales price disclosure, resulting in under-assessments of high-end commercial properties and shifting the tax burdens onto low- and moderate-income homeowners.

State law further restricts cities and counties from providing tax relief that is targeted to those taxpayers who need the relief the most. The one local exemption cities and counties have authority to adopt for homeowners who are not disabled or 65 or older is an optional percentage homestead exemption — a tax break tool that disproportionately benefits owners of high-value homes. For example, the owner of a \$200,000 home in Dallas receives \$280 in city property tax relief, while the owner of a \$10 million home enjoys a \$14,100 tax reduction.<sup>5</sup>



## Policy Guide Overview

The legislative reforms in this policy guide aim to address these inequities and equip cities and counties with stronger tools to help low- and moderate-income residents remain in their homes and communities when their property values rise. For each tool, the guide provides, where available:

- A policy overview
- Key reasons for prioritizing the reform
- Examples from other states
- Additional considerations
- Relevant Texas legislation
- Resources for further exploration

The last part of the policy guide highlights two additional reforms not included in the policy guide's recommendations. The first reform — lowering the state's appraisal cap — would likely worsen inequities in Texas' property tax system. The second reform concerns changing the state's property tax appeals system. While outside the scope of this policy guide, reforming the appeals system is crucial for addressing inequities and warrants further consideration.



# Policy #1 – Local Option Flat-Dollar Homestead Exemption

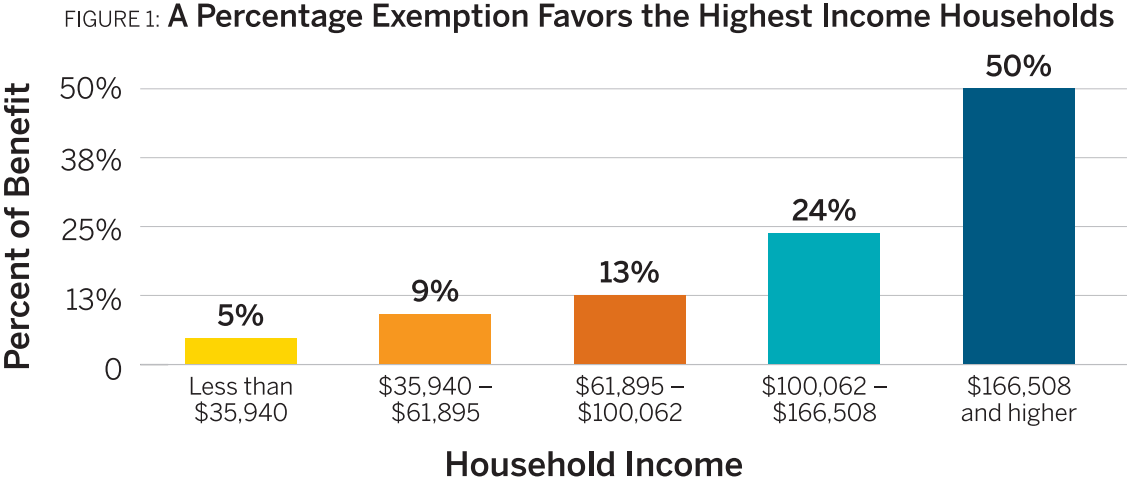
## What is it?

This reform would allow local taxing jurisdictions in Texas to adopt a homestead exemption that reduces the taxable value of a homestead by a fixed dollar amount. While state law provides cities, counties, and other local taxing entities with the option of providing a flat-dollar exemption to homeowners who are disabled or 65 or older,<sup>6</sup> state law restricts them from offering other homeowners relief except through a percentage-based exemption of up to 20%.<sup>7</sup>

Unlike percentage-based exemptions, a flat-dollar homestead exemption provides uniform tax relief for homeowners, giving all homeowners the same reduction in taxable value, regardless of their property’s market value. For example, Texas currently provides a statewide \$100,000 flat-dollar exemption for school district taxes.<sup>8</sup> Whether a home is valued at \$100,000, \$500,000, or \$10 million, the taxable value is reduced by \$100,000, offering consistent tax relief across the board.

## Why this Policy?

Allowing local jurisdictions to adopt flat-dollar exemptions would enable them to provide fairer tax relief strategies tailored to the needs of their communities. Under the current system, the percentage-based exemption disproportionately benefits owners of high-end homes. For instance, a 20% exemption on a \$100,000 home reduces the taxable value by \$20,000, resulting in a city property tax break of about \$140 for a Dallas homeowner. In contrast, the same exemption on a \$10 million home reduces the taxable value by \$2 million, yielding a \$14,100 tax break. Figure 1 provides a statewide breakdown of how the percentage exemption disproportionately benefits the highest income households in Texas.



SOURCE: Dick Lavine, Every Texan, Who Doesn’t Pay Property Taxes? (Feb. 23, 2023)

A flat-dollar exemption ensures all homeowners receive the same level of tax relief, regardless of their home’s value, making it a far more equitable tool. By empowering local governments to adopt this approach, the state can better support low- and moderate-income homeowners and provide relief tailored to local needs.

## Examples From Other States

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Several states have adopted flat-dollar homestead exemptions or authorize cities and counties to adopt a flat-dollar exemption. Examples of jurisdictions with a flat-dollar exemption for all homeowners include:

- Florida (\$25,000, and then an additional \$25,000 on the assessed value of the home greater than \$50,000)<sup>9</sup>
- Kansas (\$75,000)<sup>10</sup>
- Louisiana (\$75,000)<sup>11</sup>
- Philadelphia, Pennsylvania (\$100,000)<sup>12</sup>
- Fulton County, Georgia (\$30,000)<sup>13</sup>

## Other Considerations

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- » **Transition period and caps:** Legislation needs to address how to transition from existing percentage-based exemptions to flat-dollar exemptions, such as providing existing homeowners with the option to retain their current exemption or opt into the flat-dollar exemption. Legislation also needs to consider whether to place a cap on the exemption amount that local jurisdictions can adopt.
- » **Constitutional amendment:** A constitutional amendment would be required to grant local jurisdictions the authority to adopt flat-dollar exemptions.

## Prior Legislation Filed

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- [Senate Bill 279/Senate Joint Resolution 20](#), 84th Legislature, Regular Session (2015), by Senator Watson: Allowing cities, counties, and other jurisdictions to adopt a flat-dollar homestead exemption of at least \$5,000.
- [Senate Bill 854/Senate Joint Resolution 18](#), 88th Legislature, Regular Session (2023), by Senator West: Providing counties with the authority to adopt a flat-dollar homestead exemption, with a cap of \$100,000. Identical legislation: [House Bill 2054/House Joint Resolution 108](#), by Representative Jones.

## For More Information

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- » Jon Gorey, Lincoln Institute of Land Policy, [This Simple Policy Tool Can Make Property Taxes Fairer and Ease Homeownership Hardship](#) (Dec. 6, 2022).<sup>14</sup>
- » Adam H. Langley and Joan Youngman, Lincoln Institute of Land Policy, [Property Tax Relief for Homeowners](#) (November 2021), Chapter 4.<sup>15</sup>
- » Center for Public Policy Priorities, [The Flat-Dollar Homestead Exemption: A Better Way to Help Texas Homeowners](#) (July 2017).<sup>16</sup>



## Policy #2 – Circuit Breaker Program

### What is it?

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Circuit breaker programs provide targeted tax relief for low-income homeowners whose tax burdens are disproportionately high relative to their income. Much like an electrical circuit breaker protects against overloads, a property tax circuit breaker shields vulnerable homeowners from excessive tax burdens.

States across the country have adopted circuit breaker programs, with designs varying widely. The most common approach offers a tax credit or rebate when property taxes exceed a set percentage of a homeowner's household income.<sup>17</sup> For example, in a program with a 4% threshold, a homeowner earning \$25,000 would receive a credit for any taxes above \$1,000 (4% x \$25,000). Many states use a tiered system with lower thresholds for the lowest-income homeowners, ensuring greater relief to those most in need.

### Key considerations when designing a circuit breaker program include:

- **Income eligibility limits:** What is the maximum income a homeowner can have to qualify?
- **Scope:** Should the program target all low-income homeowners or specific groups, such as seniors and persons with disabilities?
- **Credit caps:** Should there be a maximum credit amount to manage costs while providing meaningful relief?

### Why this Policy?

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Circuit breaker programs are one of the most effective tools for delivering targeted property tax relief to homeowners who need it the most. Unlike income taxes, property taxes are not based on a person's ability to pay. As home values rise, many low-income homeowners face steep tax bills that jeopardize their financial security and housing stability.

In contrast to the general homestead exemption, which distributes tax relief to all homeowners regardless of need, circuit breaker programs are highly targeted, specifically aiding those who cannot afford their property taxes. By tying tax relief to financial capacity, circuit breaker programs are better equipped to prevent displacement and serious financial strain among vulnerable homeowners.<sup>18</sup>

In addition to protecting individual homeowners, circuit breaker programs help stabilize housing and strengthen communities. High property tax burdens on homeowners of limited means can lead to deferred maintenance, property deterioration, and foreclosure. By safeguarding families' financial security, circuit breakers enable homeowners to maintain and remain in their homes, supporting community health and resilience.

Finally, circuit breaker programs advance fairness and equity in tax policy by ensuring relief is directed to those most affected by high property tax burdens. This approach addresses disparities in the tax system, fostering a more just and inclusive framework.

## Examples From Other States

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Forty-four states provide some form of income-based property tax relief for homeowners, including 29 that have implemented traditional circuit breaker tax programs. These programs vary in scope; some serve only low-income seniors, while others are available to all income-eligible homeowners. Many states also extend their circuit breaker programs to renters, recognizing that property taxes are often passed on through rent.

Texas is one of only six states that does not offer income-targeted property tax relief for homeowners such as the circuit breaker program. For more information on other states' policies, the Institute on Taxation and Economic Policy provides a comprehensive list of states with circuit breaker programs at <https://itep.org/property-tax-affordability-circuit-breaker-credits/>.

## Other Considerations

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- » **Income verification:** Since Texas has no income tax, homeowners would need to provide proof of income to qualify. The program could be administered as a rebate through the Texas Comptroller's office or as a property tax credit administered by local appraisal districts and tax assessor offices.
- » **Scope:** A circuit breaker law could apply to all property taxes paid by income-eligible homeowners or provide cities and counties with the option of adopting a circuit breaker program, with relief applying only to the taxes levied by participating cities and counties.
- » **Administrative structure:** A property tax credit would require a state constitutional amendment, whereas a rebate program might not. However, a rebate program could be more complex to administer and would likely result in lower participation rates.

## Prior Legislation Filed

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- [House Bill 2480](#) and [House Joint Resolution 90](#), 86th Legislature, Regular Session (2019), by Representative Rosenthal: Providing local governmental entities with authority to adopt a property tax cap for low-income homeowners in a homestead exemption district.
- [House Bill 3920](#) and [House Joint Resolution 116](#), 85th Legislature, Regular Session (2017), by Representative Thierry: Similar scope to HB 2480 and HJR 90.

## For More Information

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- » John H. Bowman, et al, Lincoln Institute of Land Policy, Property Circuit Breakers (May 2019).<sup>19</sup>
- » Carl Davis & Brakeyshia Samms, Institute on Taxation and Economic Policy, Preventing an Overload: How Property Tax Circuit Breakers Promote Housing Affordability (May 11, 2023).<sup>20</sup>
- » Every Texan, Why "Circuit Breakers" Are the Way to Control Property Taxes (Aug. 20, 2020).<sup>21</sup>

# Policy #3 – Requiring Sales Price Disclosure of Real Property

## What is it?

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Sales price disclosure laws require the reporting of a property's sale price when a property changes hands. A sales price disclosure law can be structured in many different ways. These laws can be tailored to apply to all properties or just commercial and industrial sales, which are often undervalued. Disclosed prices can become part of the public deed records or be shared exclusively with appraisal districts and not become part of the public record.

## Why this Policy?

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According to the International Association of Assessing Officers, which adopts best practices for fair assessment standards in property tax systems, a key law for ensuring fair and accurate property assessments is requiring the disclosure of sales prices.<sup>22</sup> Texas generally appraises properties based on market value, but without mandated sales price reporting, appraisal districts lack complete data — especially for high-end homes and commercial properties.<sup>23</sup> Instead, districts rely on incomplete sources, such as Multiple Listing Services, which often cover only more moderately-price residential sales.

This data gap leads to disparities: Residential properties are typically assessed closer to market value, while high-end and commercial properties are undervalued.<sup>24</sup> This shifts the tax burden disproportionately onto low- and moderate-income homeowners.<sup>25</sup>

Transparent sales price disclosure eliminates guesswork, enabling fairer assessments and fostering equity in Texas' property tax system.<sup>26</sup>

## Examples From Other States

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Texas is one of only 12 states that do not require sale price disclosure. The 38 states with disclosure laws span the political spectrum<sup>27</sup> and include Alabama, Oklahoma, Arkansas, Florida, Tennessee, Kentucky, and West Virginia.

## Other Considerations

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- » **Lack of immediate relief:** Sales price disclosures would promote long-term equity by shifting tax burdens away from low- and moderate-income homeowners. However, this reform would not provide immediate relief for homeowners struggling with rising tax bills.
- » **No constitutional amendment:** This reform would not require a constitutional amendment.
- » **Prior concerns:** Historically, a key argument against requiring sales price disclosures was that disclosures would lead to the adoption of a tax on real estate transactions. However, a 2015 state constitutional amendment prohibits such tax levies.<sup>28</sup>

## Prior Legislation Filed

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- [House Bill 234](#), 88th Legislature, Regular Session (2023), by Representative Bernal: Requiring sales price disclosures for commercial and industrial properties; disclosures required in recorded deeds; mineral interests excluded.
- [House Bill 3939](#), 87th Legislature, Regular Session (2021), by Representative Talarico: Requiring sales price disclosures for commercial properties; disclosures made to appraisal district in a sales disclosure report within 10 days of deed recording; several exceptions provided.
- [House Bill 203](#), 87th Legislature, Regular Session (2021), by Representative Bernal: Directing the Comptroller to conduct a study on the impact, feasibility, and advisability of a property tax system that does not require disclosing real property sales prices.
- [House Bill 3260](#), 87th Legislature, Regular Session (2021), by Representative Thierry: Providing counties with authority to set up a countywide election for voters to authorize a disclosure requirement; reporting done via a sales disclosure report with the appraisal district.

## For More Information

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- » Robert P. Berrens & Michael McKee, What Price Nondisclosure? The Effects of Non-Disclosure of Real Estate Sales Prices, 85 *Social Science Quarterly* 509 (2004).<sup>29</sup>
- » Texas Tax Force on Appraisal Reform, Findings and Recommendations (2007).<sup>30</sup>
- » James Howard Johnson, Variation in Commercial Property Tax Appraisal Accuracy in Texas (2012), Dissertation for Doctor of Philosophy in Urban Planning and Public Policy, The University of Texas at Arlington (Dec. 2012).<sup>31</sup>
- » Dick Lavine, Every Texan, Changes to Improve the Property Tax System (Oct. 27, 2022).<sup>32</sup>
- » Nathan Morey, Unequal and Unfair: Why Texas Should Require Mandatory Sales Price Disclosure to Reconcile the Texas Property Tax Code with the Texas Constitution, 41 *St. Mary's L.J.* (2010).<sup>33</sup>

## Policy #4 – Reinstating the Homestead Exemption for Undocumented Homeowners

### What is it?

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This policy restores eligibility for the state’s homestead exemption to homeowners without legal residency. Until 2012, Texas allowed all homeowners, regardless of immigration status, to access a homestead exemption on their primary residence. However, a 2011 legislative enactment required applicants to present a Texas driver’s license or state-issued ID — documents unavailable to undocumented residents — effectively barring undocumented homeowners from a homestead exemption.<sup>34</sup>

### Why this Policy?

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Undocumented residents play a vital role in Texas’ economy and communities. Many have lived and worked in Texas for years, investing in homes where they raise their families. In 2022, undocumented Texans contributed over \$4.9 billion to state and local tax revenues including \$1.8 billion in property taxes.<sup>35</sup>

Texas law permits individuals to own homes and land regardless of their immigration status. Denying undocumented homeowners the homestead exemption imposes a disproportionate tax burden, threatening their financial and housing security. Restoring the exemption would advance the policy goal of ensuring that all families, regardless of their background, have the opportunity to secure and maintain stable housing. This policy promotes community cohesion and economic security for families statewide.

### Prior Legislation Filed

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[House Bill 35](#), 86th Legislature, Regular Session (2019), by Representatives Romero and Zweiner: The legislation proposed creating a Texas conditional driver’s permit for undocumented residents but would not have extended the use of the permit for purposes of securing access to a homestead exemption.

[House Bill 1920](#), 84th Legislative Session (2015), by Representative Anchia: Allowing homeowners without a driver’s license or state-issued ID to access a homestead exemption by submitting an affidavit certifying their residence homestead.

[House Bill 636](#), 83rd Legislature (2013), by Representative Alonzo: Allowing homeowners to access a homestead exemption with a certificate issued by a Mexican Consulate office.



## Consideration of Additional Tax Relief Policies

In evaluating ways to provide targeted relief to Texans struggling with property taxes and to promote a fairer property tax system, we considered two additional policies: lowering the state's appraisal cap and reforming the property appraisal appeals process. While lowering the state's appraisal cap is not recommended due to its disproportionate benefits for higher-income homeowners and limited long-term relief for low- and moderate-income homeowners, reforming the property appraisal process shows promise as a means of fostering greater equity and merits further consideration.

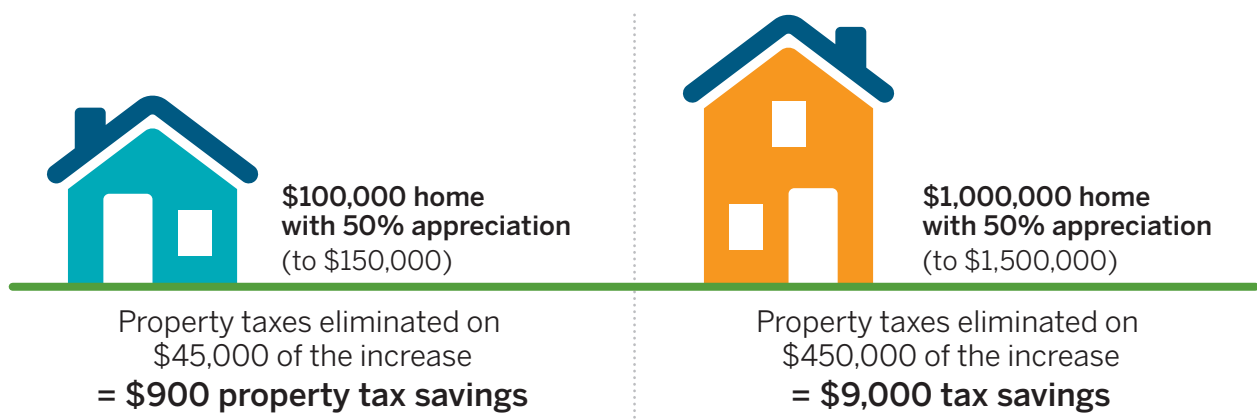
### Lowering the State's Appraisal Cap: Not Recommended

Currently, Texas caps the annual increase of homestead's appraised value at 10%, limiting the growth of property tax burdens. Previous legislation has proposed reducing this cap to 5%. While this change may seem like a solution to rising property taxes, it would disproportionately benefit wealthy homeowners while failing to deliver equitable or sustainable relief for lower-income households.<sup>36</sup>

For instance, under a 5% cap, the owner of a \$100,000 home appreciating by 50% (to \$150,000) would avoid taxes on \$45,000 of the increase, saving approximately \$900. In contrast, the owner of a \$1 million home appreciating by the same percentage would avoid taxes on \$450,000 of the increase, saving approximately \$9,000. These disparities exacerbate inequities in the property tax system by delivering the largest benefits to wealthier homeowners, as shown in Figure 2.<sup>37</sup>

Additionally, appraisal caps provide diminishing relief over time and create distortions in the tax system by shifting tax burdens to new homeowners. As capped properties remain undervalued relative to their market price, new buyers end up paying disproportionately higher taxes for homes of similar value.<sup>38</sup> This dynamic favors long-term homeowners at the expense of younger or first-time buyers, further compounding inequities in the housing market.

FIGURE 2: **Inequitable Impacts of Appraisal Caps**  
Property tax savings on homes with a 5% property tax appraisal cap



## Reforming the Property Appraisal Appeals Process: Merits Further Consideration

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Texas' property appraisal appeals process contributes to inequities in the tax system by enabling commercial and industrial property owners to reduce their tax liabilities below fair market levels, shifting the burden onto low- and moderate-income homeowners.<sup>39</sup> A significant driver of this problem is the state's "equity appeals" law,<sup>40</sup> which requires appraisal districts to reduce a property's appraised value to the median of comparable properties. This process often results in substantial reductions in appraised values for high-value commercial properties.<sup>41</sup>

For example, a commercial property in Harris County appraised at \$15.2 million was reduced to \$10.2 million through the equity appeals process, based on the median appraisal of comparable properties.<sup>42</sup> These reduced valuations create a feedback loop in which lower appraised values become benchmarks for subsequent appeals, eroding the tax base.<sup>43</sup> A 2015 Legislative Budget Board report estimated that the equity appeals process in six counties alone resulted in an annual loss of \$70 million to \$80 million in school funding.<sup>44</sup>

Additionally, Texas laws governing attorneys' fees in appraisal appeals exacerbate these inequities. Current law requires appraisal districts to pay the attorneys' fees for property owners who prevail in appeals, with fees caps that disproportionately benefit owners of higher-value properties.<sup>45</sup> This structure incentivizes frequent appeals by high-value property owners and encourages appraisal districts to adopt more conservative valuations for these properties, further shifting the tax burden to homeowners.

Reforming the appraisal appeals process would address these systemic inequities, ensuring that commercial and industrial properties are taxed closer to fair market value and restoring balance to the tax system.<sup>46</sup>

## Conclusion

Texas' property tax system presents significant challenges for low- and moderate-income homeowners, particularly in rapidly appreciating markets. Without targeted reforms, many homeowners face rising tax burdens that threaten their financial security, housing stability, and ability to remain in their communities. This policy guide highlights four strategies to address these inequities: empowering local governments with a flat-dollar homestead exemption option, adopting a circuit breaker program to provide targeted, income-based relief, requiring sales price disclosure for more accurate property assessments, and reinstating the homestead exemption for undocumented homeowners.

Together, these reforms would create a more equitable and transparent property tax system that prioritizes fairness and stability. By reducing disproportionate tax burdens on vulnerable populations, the proposed changes would help protect long-term homeowners, promote community stability, and foster economic security across the state. With bipartisan solutions available and examples from other states to guide implementation, Texas has a clear opportunity to take meaningful action to ensure its property tax system works for all its residents.



## Endnotes

- <sup>1</sup> This report reflects the research and views of the individual authors only. It does not reflect the views of The University of Texas School of Law or The University of Texas at Austin.
- <sup>2</sup> Matt Goodman, *The Story of a Bridge and the Land Rush it Created*, D Magazine (May 31, 2024), <https://www.dmagazine.com/frontburner/2024/05/the-story-of-a-bridge-and-the-land-rush-it-created/>.
- <sup>3</sup> Shaun Rabb, *Nonprofit Looks to Keep West Dallas Residents from Being Priced Out of Homes*, Fox4News (June 10, 2024), <https://www.fox4news.com/news/west-dallas-gentrification-builders-of-hope>. <https://www.dmagazine.com/frontburner/2024/05/the-story-of-a-bridge-and-the-land-rush-it-created/>.
- <sup>4</sup> Institute on Taxation and Economic Policy, *Texas: Who Pays?*, 7th ed. (Jan. 9, 2024). <https://itep.org/texas-who-pays-7th-edition/>.
- <sup>5</sup> This calculation is based on the City of Dallas' 2024 tax rate of .704700%.
- <sup>6</sup> Tex. Tax Code § 11.13(d).
- <sup>7</sup> Tex. Tax Code § 11.13(n). A homeowner is entitled to the greater of the percentage exemption or an exemption of \$5,000 from the appraised value. If a jurisdiction adopts the maximum allowable exemption of 20%, this means that a home valued less than \$25,000 is still entitled to a \$5,000 exemption even though the percentage exemption would otherwise result in a lower exemption. *Id.*
- <sup>8</sup> Tex. Tax Code § 11.13(b).
- <sup>9</sup> Fla. Stat. § 196.031(1)(a) (2024).
- <sup>10</sup> Kansas' \$75,000 exemption will become effective in 2025, replacing the \$40,000 currently on the books. See Kansas S.B. 1 (2024 Special Session), amending K.S.A. 2023 Supp. § 79-201x.
- <sup>11</sup> LA. R.S. § 47:1703(1) (2024). Louisiana's exemption is \$7,500 off the assessed value, which translates to \$75,000 off the market value under the state's tax system.
- <sup>12</sup> Philadelphia's \$100,000 exemption was adopted in 2024, up from \$80,000 in 2023. City of Philadelphia Bill No. 240492, amending § 19-1301.1, Philadelphia Code. See also, City Council of Philadelphia, Council News, *City Council Passes Councilman O'Neill Legislation Increasing Homestead Exemption to \$100,000* (June 17, 2024), <https://phlcouncil.com/city-council-passes-councilman-oneill-legislation-increasing-homestead-exemption-to-100000/>.
- <sup>13</sup> Fulton County, *Homestead Exemption Guide* (2024), <https://fultonassessor.org/wp-content/uploads/sites/16/2023/03/Homestead-Exemption-Guide-Updated-3.14.23.pdf>.
- <sup>14</sup> Available at <https://www.lincolnst.edu/publications/articles/simple-policy-tool-can-make-property-taxes-fairer-ease-homeowner-hardship/>.
- <sup>15</sup> Available at <https://www.lincolnst.edu/publications/policy-focus-reports/property-tax-relief-homeowners/>.
- <sup>16</sup> Available at [https://everytexan.org/images/IT\\_2016\\_02\\_Primer\\_Homestead.pdf](https://everytexan.org/images/IT_2016_02_Primer_Homestead.pdf).

- <sup>17</sup> Carl Davis and Brakeyshia Samms, Institute on Taxation and Economic Policy, Preventing an Overload: How Property Tax Circuit Breakers Promote Housing Affordability (May 11, 2023), <https://itep.org/property-tax-affordability-circuit-breaker-credits/>.
- <sup>18</sup> Aidan Davis, Institute on Taxation and Economic Policy, Property Tax Circuit Breakers in 2019 (Sept. 2019), <https://itep.sfo2.digitaloceanspaces.com/092619-Property-Tax-Circuit-Breakers.pdf>.
- <sup>19</sup> Available at <https://www.lincolnst.edu/publications/policy-focus-reports/property-tax-circuit-breakers/>.
- <sup>20</sup> Available at <https://itep.org/property-tax-affordability-circuit-breaker-credits/>.
- <sup>21</sup> Available at <https://everytexan.org/2020/08/24/circuit-breakers/>.
- <sup>22</sup> International Association of Assessing Officers, Standard on Property Tax Policy (2020), §§ 5.2–5.3, at pp. 13-14, [https://www.iaao.org/wp-content/uploads/Standard\\_on\\_Property\\_Tax\\_Policy.pdf](https://www.iaao.org/wp-content/uploads/Standard_on_Property_Tax_Policy.pdf).
- <sup>23</sup> James Howard Johnson, Variation in Commercial Property Tax Appraisal Accuracy in Texas, Dissertation for Doctor of Philosophy in Urban Planning and Public Policy, The University of Texas at Arlington (Dec. 2012), at 111-112, 122, 125, accessed at [https://mavmatrix.uta.edu/planning\\_dissertations](https://mavmatrix.uta.edu/planning_dissertations).
- <sup>24</sup> Dick Lavine, Every Texan, Changes to Improve the Property Tax System (Oct. 27, 2022), <https://everytexan.org/2022/10/27/changes-to-improve-the-property-tax-system/>; see also Johnson, *supra* note 23, at 122, 125 (discussing the limitations of valuing commercial properties at fair market value without access to sales data and findings that the assessed values of Class A office buildings in four of the state’s largest Texas cities are below market value by 13% to 47.7% on average); James Howard Johnson & Fred A. Forgey, *Obstacles to Accuracy in Commercial Real Property Tax Appraisal: A Survey of Appraisers*, 10 J. of Property Tax Assessment & Admin. 15, at 19-20, 26 (2013), <https://researchexchange.iaao.org/jptaa/vol10/iss3/2>.
- <sup>25</sup> Lavine, *supra* note 24.
- <sup>26</sup> See, e.g., International Association of Assessing Officers, *supra* note 22, at § 5.2, p.13 (property values “cannot be estimated accurately without access to prices and terms of sales”).
- <sup>27</sup> For a list of nondisclosure states, see Candace Taylor, *The States Where Home Prices Are Secret*, Wall Street Journal (June 10, 2019), <https://www.wsj.com/articles/the-states-where-home-prices-are-secret-11560956939>.
- <sup>28</sup> Tex. Const. Art. VIII, § 29.
- <sup>29</sup> Available at [https://search.lib.utexas.edu/discovery/fulldisplay?context=PC&vid=01UTAU\\_IN-ST:SEARCH&search\\_scope=CentrallIndex&tab=CentrallIndex&docid=cdi\\_proquest\\_miscellaneous\\_57088213](https://search.lib.utexas.edu/discovery/fulldisplay?context=PC&vid=01UTAU_IN-ST:SEARCH&search_scope=CentrallIndex&tab=CentrallIndex&docid=cdi_proquest_miscellaneous_57088213).
- <sup>30</sup> Available at <https://static.texastribune.org/texas-weekly/files/AppraisalReformTaskForce.pdf>.
- <sup>31</sup> Available at [https://mavmatrix.uta.edu/planning\\_dissertations](https://mavmatrix.uta.edu/planning_dissertations).
- <sup>32</sup> Available at <https://everytexan.org/2022/10/27/changes-to-improve-the-property-tax-system/#:~:text=A%20flat%2Ddollar%20exemption%20gives,with%20the%20most%20expensive%20homes>.
- <sup>33</sup> Available at <https://commons.stmarytx.edu/thestmaryslawjournal/vol41/iss3/4/>.



- <sup>34</sup> H.B. 252, Acts 2011, 82nd Leg., R.S., ch. 221, § 1, General and Special Laws of Texas, amending the homestead exemption application requirements in Section 11.43 of the Texas Tax Code.
- <sup>35</sup> Carl Davis, et al, Institute on Taxation and Economic Policy, Tax Payments by Undocumented Immigrants, at 17 (2024), <https://sfo2.digitaloceanspaces.com/itep/ITEP-Tax-Payments-by-Uncumented-Immigrants-2024.pdf>.
- <sup>36</sup> Joshua Fechter, *Why Tax Policy Experts Fear the Texas House Plan to Lower Property Taxes Could Have Dire Ripple Effects*, The Texas Tribune (May 15, 2023), <https://www.texastribune.org/2023/05/15/texas-house-property-taxes-appraisal-cap/>.
- <sup>37</sup> Based on a home located in a jurisdiction with a cumulative property tax rate of 2%.
- <sup>38</sup> Texas Taxpayers and Research Association, *The Price of Appraisal Caps: Higher Taxes for Everyone Else*, 2024, [https://ttara.org/wp-content/uploads/2023/02/TTARAResearchReport\\_PriceOfAppraisalCaps\\_2\\_23.pdf](https://ttara.org/wp-content/uploads/2023/02/TTARAResearchReport_PriceOfAppraisalCaps_2_23.pdf).
- <sup>39</sup> See Johnson, *supra* note 23, at 125 (finding that the assessed values of Class A office buildings in four of the state's five largest Texas cities are below market value by 13.3% to 47.7% on average). In the study, half of central appraisal districts surveyed also reported that commercial values are assessed at below market value, by a median value of 5%. *Id.* at 120. See also Johnson & Fogey, *supra* note 24. For additional background on the issues imposed by equitable appeals, see Shannon Najmabadi, *When big businesses want to fight their property tax bills, Texas law hands them an easy way, critics say*, Texas Tribune (Mar. 26, 2019), <https://www.texastribune.org/2019/03/26/equity-appeals-help-texas-big-businesses-fight-their-property-tax-bill/>; Charles E. Gilliland, *Property Tax Protest & Appeal*, Texas A&M Real Estate Center, Publication 2062 (April 2014), <https://trerc.tamu.edu/wp-content/uploads/files/PDFs/Articles/2062.pdf>.
- <sup>40</sup> Tex. Tax Code § 42.26.
- <sup>41</sup> Legislative Budget Board, Texas State Government Effectiveness and Efficiency Report: Selected Issues and Recommendations (Jan. 2015), at 60, [https://www.lbb.texas.gov/documents/publications/geer/government\\_effectiveness\\_and\\_efficiency\\_report\\_2015.pdf](https://www.lbb.texas.gov/documents/publications/geer/government_effectiveness_and_efficiency_report_2015.pdf).
- <sup>42</sup> *Harris County Appraisal District v. United Investors Realty Trust*, 47 S.W.3d 648 (Tex. App.—Houston [14th Dist] 2001).
- <sup>43</sup> See, e.g., Fort Bend ISD, *Close the Tax Break Loophole*, <https://www.fortbendisid.com/cms/lib/TX01917858/Centricity/Domain/7895/Tax-Loophole-Flier-020719.pdf> (criticizing the appeals process, which results in a “property tax death spiral” for large real estate holders).
- <sup>44</sup> Legislative Budget Board, Texas State Government Effectiveness and Efficiency Report (Jan. 2015), at 60, [https://www.lbb.texas.gov/documents/publications/geer/government\\_effectiveness\\_and\\_efficiency\\_report\\_2015.pdf](https://www.lbb.texas.gov/documents/publications/geer/government_effectiveness_and_efficiency_report_2015.pdf).
- <sup>45</sup> Tex. Tax Code § 42.29.
- <sup>46</sup> For resources discussing the inequities in Texas' appeals system, see Timothy R. MacGorman, *The Comparable Properties Standard: A Windfall for the Wealthy, a Shortfall for the Poor*, 4 Texas A&M Journal of Property Law 361 (2018); Johnson, *supra* note 23; James Howard Johnson & Fred A. Forgey, *supra* note 24; Lavine, *supra* note 24.

