Gov. Rick Perry's Remarks to the Organizational Meeting of the Texas Task Force on Appraisal Reform

Thursday, September 07, 2006

Thank you Chairman Pauken and members of the Texas Task Force on Appraisal Reform. You have an immensely difficult job in front of you because it involves balancing the needs of local governments to raise enough revenue, and the demand of taxpayers to stop skyrocketing appraisals, and in some jurisdictions runaway spending. Many ideas have been proposed to protect taxpayers from being priced out of their homes and businesses. Two years ago I began the fight for a three percent appraisal cap and a revenue cap that allows room for growth in local budgets. But this is an independent commission, and I do not believe you should start with any preconceived solutions, but instead a clean slate. I ask you to listen to the input of taxpayers, local government leaders and tax experts to help arrive at the best solution that can boost our economy, protect taxpayers, and provide vital government services.

While there should be a good debate about the solutions, there is no debate concerning the problem. Tax notices from this year alone demonstrate a steady trend of rapidly rising appraisals. I visited one homeowner in Houston whose taxable value increased 42 percent in the last four years. Market values went up seven percent for Harris County homeowners and an astounding 27 percent for Harris County employers. The person who doesn’t have a problem with our appraisal system obviously isn’t the one opening up a tax notice telling them their tax bill went up 27 percent. And this is not merely a Harris County problem, it is a statewide concern. In the city of Dallas taxable values on single-family residences increased seven percent this year. And total tax levies for Dallas increased 50 percent from 1998 to 2004. We know inflation and population growth combined don’t come close to that level of increase. It isn’t the wealthy that rising appraisals harm the most, but middle class families.

Two years ago I was in the living room of Charles and Virginia Chavez of San Antonio. Their appraisal notice showed a nine percent increase in one year. For a couple owning a $90,000 home, that is a big deal. Today their home valuation has climbed another $7,000, meaning they are paying higher taxes on the exact same home which is valued $15,000 more than it was in 2003.
Earlier this year, we provided Texas property owners with the largest property tax cut in state history, a 33 percent reduction in their school property tax rates over the next two years. This was a tremendous victory for millions of Texas taxpayers who will realize significant savings on their school taxes, including a one-third rate reduction starting in the fall of 2007. Now we need to protect Texans by addressing the rest of the equation: the silent tax hike of rising appraisals. Had there been enough consensus to pass appraisal reform in the last special session, I would have included it in the session call. But there wasn't. It is your job to find the right solution around which we can build a legislative majority. That is a tough job. To help you get it done, I have offered the full resources and expertise of my staff to help you analyze proposals. We are still soliciting the public's ideas on our website as well. Appraisal reform may be one of the toughest issues facing Texas, but under the leadership of Chairman Pauken, I know this task force is prepared to make the tough decisions and ultimately the right recommendations. Thank you for your service to Texas.