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Speaker Phelan statement on Texas House overwhelmingly passing House Bill 2 to create largest property tax cut in state history

Austin, Texas — Speaker of the Texas House Dade Phelan thanked the Texas House for passing House Bill 2 and House Joint Resolution 1, two measures that will contribute to more than \$17 billion of property tax relief for Texans and allow for other historic investments in the state, including billions of new state dollars toward public education and a cost-of-living adjustment for retired Texas teachers.

House Bill 2 provides 15 cents of school district tax rate compression, which when combined with House Bill 1, the chamber’s proposed two-year state budget, results in an over 25-cent compression and a 28% reduction in school property taxes. The legislation will also increase the state’s share of public education to more than 50% for the first time in 13 years and reduce recapture payments, or dollars sent from school districts back to the state for redistribution, by \$4.5 billion.

Additionally, under House Bill 2, a 5% annual appraisal limit will apply to all real property in Texas, benefitting homeowners, small business owners, land owners and renters. The owner of a \$350,000 home will see an average savings of more than \$1,200 over the next two years, with that amount growing so long as that homeowner maintains ownership of the property.

“Members of the Texas House have sent an unequivocal message that they hear the concerns from fellow Texans about delivering lasting property tax relief and addressing skyrocketing appraisal values,” Speaker Phelan said. “House Bill 2 and House Joint Resolution 1 will create relief and predictability for all Texas property owners, and I thank Chair Morgan Meyer for his work in authoring this legislation. The Texas House is ready to work with the Texas Senate on these issues and looks forward to doing so in the coming weeks.”

“House Bill 2 and House Joint Resolution 1 will provide the most property tax relief to the most Texans,” said Meyer, Chair of the House Ways & Means Committee. “The Texas House is

focused on delivering real results, and I thank my colleagues for supporting these two measures that address the needs of Texans and invest in the future of our state.”

“In addition to property tax relief, House Joint Resolution 1 is essential for other significant investments in our state, such as funding more than \$5 billion in additional state dollars when combined with House Bills 1 and 100 to increase both the basic and special education allotments in our school finance system,” said House Appropriations Committee Chair Greg Bonnen. “House Joint Resolution 1 will also make possible a \$3.5 billion investment in a cost-of-living adjustment and one-time check for our retired teachers through House Bill 600, along with a \$1 billion investment in four-year public universities to ensure affordability and several other critical funding items for our public and higher education systems.”

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