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Lieutenant Governor Dan Patrick and Speaker Dade Phelan Announce Breakthrough Deal on Property Tax Legislation

AUSTIN - Texas Lieutenant Governor Dan Patrick and Speaker Dade Phelan today issued a joint statement to announce an agreement on proposed legislation that will deliver the biggest property tax cut in Texas history. Both leaders met last week in Austin and, along with members of the House and Senate, have continued working day and night to reach a consensus. The deal represents a significant win for providing relief to Texas property owners and reflects the commitment of Texas leaders to address the concerns of taxpayers and provide significant relief from the burden of escalating property taxes.

Highlights of the \$18 billion tax cut legislation include:

- Over \$12 billion will be spent on reducing the school property tax rate for all homeowners and business properties.
- Every homeowner who homesteads their home (approximately 5.7 million homeowners) will get a \$100,000 homestead exemption.
- Non-homesteaded properties, valued at \$5 million and under, including residential and commercial properties, will receive a 20% circuit breaker on appraised values as a 3-year pilot project.
- Legislation will also include savings on the franchise tax for small businesses and create newly elected positions on local appraisal boards.

"Reducing property taxes, providing relief to small business owners, and reforming our appraisal system will ensure economic growth and prosperity, and this agreement is a significant victory for all Texans," said **Speaker Dade Phelan**. "I appreciate Rep. Morgan Meyer, Rep. Will Metcalf and all the dedicated members of the House who worked tirelessly behind the scenes to help us reach a consensus, and the Texas House will soon do its part to deliver historic property tax relief. Negotiations with the Lieutenant Governor have been extremely productive, and by coming together and finding common ground, the House and Senate are one step closer to providing much-needed, much-deserved relief. I look forward

to the passage of this package in the coming days and delivering on our commitment to the people of Texas."

"I started working to reduce property taxes at a Capitol hearing in 2003, 4 years before I was elected to the Texas Senate. It has been a long road, but this is a great day for all property owners. Speaker Phelan and I worked diligently together over the last week on the final bill. It made the difference. It may have taken overtime, but the process has produced a great bill for homeowners and businesses," said **Lt. Gov. Patrick**. "I thank all 31 Senators for working together and being patient through this process. I especially thank Sen. Paul Bettencourt, who was with me on that first bus trip to Austin 20 years ago, for his tireless work on this issue."

Both the omnibus property tax relief bill and the franchise tax relief bill will originate in the Texas Senate and the constitutional amendment will be introduced as a House Joint Resolution (HJR). The Senate and House will file legislation today with the goal of passing the bills later this week.

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