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## Houston Recapture Issue Goes Back to Voters

*By Kenneth Graeber, Houston*

The Houston Independent School District Board of Trustees voted in early February to call a special election May 6. Voters will be asked once again whether to allow the HISD to send millions of property tax dollars to the State of Texas.

Last November, a ballot proposition was overwhelmingly rejected that would have authorized the Houston public schools to share their tax revenues with less wealthy districts as part of the state's "Robin Hood" school finance system. It was the first time voters ever refused to authorize the payment of recapture funds.

### BUSINESSES FACE DISPROPORTIONATE TAXES

If Houston voters once again vote against recapture, the Texas Education Agency will detach enough business property from the tax rolls to reduce the district's property tax wealth. The real estate will then be annexed to another school district.

"Detachment of property could cause tax increases for Houston's business community with some businesses paying higher tax rates than their next-door neighbors," according to a statement from the HISD. "In addition, detachment of property could hurt HISD's ability to pay back bonds, result in further budget cuts, or cause tax increases on remaining property owners."

Houston's recapture obligation was originally estimated to be \$162 million. That figure has dropped to \$77.5 million after the Education Agency announced it will begin recognizing half of the local homestead exemption in local recapture calculations, rather than the full amount. Updates to property values and student enrollment figures also helped reduce Houston's recapture obligation.

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## **LAWMAKERS MAY STEP IN**

On the heels of the unique circumstances in Houston, new legislation has been introduced to address how property that has been detached due to recapture can be reattached at a later time.

[HB 1059](#) would establish a mirror-image process for reattachment, according to sponsor Representative Jim Murphy.

“If we’re going to have this process, we need to have a way to reverse it,” Murphy said.

The bill states: In determining the property to be reattached, the commissioner shall reattach one or more whole parcels or items of property in ascending order of the taxable value beginning with the parcel or item having the lowest taxable value, until the district reaches a wealth per student equal as nearly as possible to the equalized wealth level. The commissioner shall also adopt rules necessary for the reattachment of only a portion of a parcel or item of property if reattachment of the entire parcel or item would increase the district’s wealth per student to an amount more than is permitted.