

# Lalani's Legislative Letter

## Interim Edition #2

#### **Greetings!**

We are finally back in the district full-time after two special sessions on property taxes. While we expect to return to Austin in October to work on education issues, for now we are glad to be home amongst all of our HD 76 friends.

September 1 marked the day where legislation passed in the 88th session -- with few exceptions -- went into effect. If you would like a complete rundown of these, click here.

In order to understand one of the biggest changes for Texans, property tax reform, the next section provides a real world example to help. If you have any questions regarding property tax changes and how they affect you, please reach out to my office.

Lastly, as we start to look toward the November election, please begin to familiarize yourself with the constitutional amendments that will be on the ballot. The next issue of the Lalani Legislative Letter will begin to spotlight each of the amendments on the ballot on November 7, 2023.

Remember this is your District. You are the most important part of what happens here. Get engaged, get involved, help make your community a better place for all.

Blessings, Representative Suleman Lalani, M.D

# Property Tax Reform

The example below walks through the new property tax assessment process.

### Example of the Impact of SB 2 on a Sugar Land Homeowner

In tax year 2022 a Sugar Land homeowner's residence had an appraised value of \$350,000.

The April 2023 appraisal value notice they received said the market value for this year would be \$400,000. This 14.3% increase is in line with the average increase for all <u>Fort Bend County</u> residential homestead properties, which is about 14.76%.

However, with the existing 10% appraisal cap for residential homesteads, the appraised value could only go up to \$385,000. That is the value that local taxing districts use to apply exemptions and tax rates to, in calculating taxes due for 2023.

**School Taxes.** For this homeowner, Fort Bend ISD accounts for about two-thirds of the property tax bill.

In Tax Year 2022, the Fort Bend ISD property tax rate of \$1.1346 per \$100 of taxable value was paid on \$310,000 (\$350,000 appraised value - \$40,000 school tax exemption for homesteaders.) That equals \$3,517. City of Sugar Land and Fort Bend County property taxes raised the total to about \$5,000.

If the 2023 Legislature had done NOTHING to change school property taxes, the 2023 tax bill for this homeowner would have been at least **\$3,863**, almost \$350 more. That's based on a \$1.1197 FORT BEND ISD tax rate applied to the home's taxable value of \$345,000 (\$385,000 capped appraisal, minus \$40,000 homestead exemption).

#### So what did the 2023 Legislature do?

SB 2 raises the homestead exemption and requires Fort Bend and other school districts to reduce their operations tax rate ("M&O" rate) even more than what current law already required.

So if Proposition 4 is approved by voters in November, the school tax exemption will increase to \$100,000 (\$60,000 more than in 2022.) The Fort Bend ISD tax rate could also drop to as low as \$0.9492 – a 16% reduction from the prior year – unless voters approve the 4-cent higher \$0.9892 rate that would fund a <u>proposed budget</u> which includes more competitive starting salaries for teachers and other school staff, to make up for years of low pay and high inflation.

With the \$100,000 exemption and the voter-approved rate, the homeowner's school tax bill would drop to **\$2,819**, a **savings of roughly \$1,000** compared to what they would have paid without passage of SB 2. (Compared to their actual school taxes in 2022, the reduction is almost \$700.) With city and county proposals for 2024 budgets and tax rates, the overall property tax savings will be \$850 or so.

If the homeowner in the example above were already senior homeowners, they would have had their school taxes "frozen" the year they turned 65. Proposition 4 includes provisions that ensure their school tax bill will be "unfrozen" to account for the new \$100,000 exemption, plus the existing \$10,000 school exemption for seniors and the state-mandated reduction in ISD operating tax rates.

Finally, Proposition 4 will also provide for a three-year "pilot" program that caps non-homestead property appraisal increases at 20% a year, for properties with a value of under \$5 million. This means that if the homeowner owned additional properties valued under \$5 million, the appraisal value of those non-homestead properties could increase no more than 20% each year. Lastly, it makes changes to how appraisal district board members are chosen in counties with a population of 75,000 or more, like Fort Bend County. It requires those counties to hold an election for an additional appraisal district director beginning in May 2024. This elected position would serve alongside the directors appointed by the taxing units of the appraisal districts.

If you have any questions about how SB 2 will affect you, please reach out to our office. We can help connect you to the information you need.

## **Immunization Clinic**

On Monday, August 7, 2023, my office hosted a free immunization clinic. We had families from Fort Bend County and the surrounding areas come to take advantage of our clinic. In fact what was scheduled to be a four hour event, turned into a 6 hour event. We administered 400 vaccinations that evening and issued another 400 vouchers for vaccinations, all of which have been redeemed.

As a physician, I know that vaccinations help to keep the rates of infection down and our communities more healthy as a whole. Thank you to the Ibn Sina Clinic who partnered with our office and provided the vaccinations as well as staff to administer.

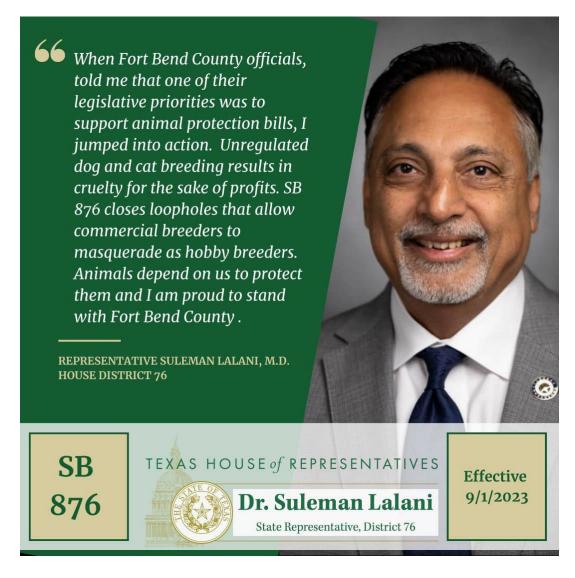
# Stay tuned for more opportunities for you to engage with our office and your community.



# Lalani Legislation Spotlight\*

To protect Texas domestic animals, <u>SB 876</u> strengthens licensing requirements for commercial dog and cat breeding operations in Texas. Our community cares deeply about animal welfare. Fort Bend County named compassionate animal protection as one of its priorities for the 88th Legislative Session and I was proud to joint sponsor SB 876.

This legislation reforms the <u>Texas Licensed Breeders Program</u>. The TLBP has been a huge step forward in ending "puppy mills," breeding operations in which animals are often kept in horrible conditions and where maximizing profit and minimizing cost are prioritized over animals' well-being and dignity. SB 876 strengthens the TLBP by preventing commercial breeding operations from masquerading as hobby breeders or avoid licensing requirements by hiding sales of animals through "cash only" transactions.



If you want to read about any of my legislation, please go to my House website.

\*If this or any other legislation, issue or policy interests you, please get engaged! If you need ideas on how to get engaged, please contact us at District76.Lalani@house.texas.gov. We can help!

# Out and About in HD 76

Meet and Greet with Senator Amy Klobuchar June 11, 2023



Islamic Arts Society Gala 2023 August 6, 2023



# Fort Bend County Epicenter Ribbon Cutting August 20, 2023



National Conference of State Legislatures August 14, 2023



### India Culture Center 50th Anniversary and Celebration of India's 77th Independence Day August 20, 2023



Silicon Valley Tour with the Innovation and Technology Caucus of the Texas Legislature August 24, 2023



## Malayalee Association of Greater Houston Onam 2023 Celebration August 26, 2023



Fort Bend Business Coalition Legislative Panel August 29, 2023



### Indonesian Diplomatic Reception to Commemorate the 78th Independence Day of the Republic of Indonesia August 30, 2023



Islamic Society of North America Panel on State Public Policy September 2, 2023



## **How to Reach Us**

