

## REALTOR® Wins at the 88<sup>th</sup> Texas Legislature

The regular session of the 88th Texas Legislature that ended on May 29 brought numerous victories for REALTORS® and private property rights.

Thanks to your grassroots advocacy efforts on REALTOR® Day, and the work of Texas REALTORS® staff at the Capitol throughout the legislative session, the state made strides in REALTOR®-priority policy areas. Overall, lawmakers helped prepare Texas for continued growth and prosperity by improving the state's infrastructure, reimagining economic development, and increasing housing affordability. The association also advocated for several bills that will preserve private property rights and simplify business for REALTORS® in Texas.

### INVESTING IN THE FUTURE

Texas is preparing for the state's population and business environment to continue to soar through fortification of our water infrastructure. **SB 28** will create a fund to help support projects that support this critical component of the state's infrastructure. More Texans across the state will be able to access high-speed internet, advancing educational and work opportunities in rural Texas, thanks to **HB 9**. Those bills will create a similar mechanism to finance new broadband infrastructure projects. The legislature also passed **SB 1238**, which will maximize the amount of federal funding Texas can receive to improve this infrastructure. **SJR 75** and **HJR 125**, the two constitutional resolutions accompanying these infrastructure bills, will place funding for these packages on the November ballot for voter approval.

### ENERGIZING THE ECONOMY

Companies have a new incentive to relocate to Texas thanks to **HB 5**. This bill will create a means for companies to receive property tax relief in exchange for providing jobs and other economic boons to their communities.

### HOUSING AFFORDABILITY

Texas REALTORS® aimed to help tackle the state's housing affordability challenges by supporting bills that would reduce unnecessary bureaucratic hurdles for builders, remove red tape, and limit the ability of local governments to place undue restrictions on density.

**HB 14** is a major housing affordability bill that will reduce delays caused by backlogs in local authorities' review processes. The bill would allow approved third parties (including any licensed engineer) to review builders' development permits and inspections if local authorities fail to review and make decisions on those applications within two weeks.

### PRIVATE PROPERTY RIGHTS

This session, Texas REALTORS® extended reform of property owners associations that was spearheaded during the last legislative session. **HB 1193** will prevent HOAs from dictating what form of rent payments property owners can or cannot accept. Property rights legislation this session also took the form of prohibiting municipalities from overreaching regulation of property owners. **HB 1750** and **HJR 126** reduce the ability of cities to place limitations on agricultural activity property owners may conduct on their land. **HJR 126** will also be on the November ballot for public approval.

### REAL ESTATE TRANSACTIONS

Texas REALTORS® worked to make business transactions easier for its members by supporting bills that promote clarity and accountability.

**HB 19** creates a business specialty court to streamline resolutions of business disputes. This bill would strengthen Texas's reputation as the best state in which to conduct business and give businesses confidence in the Texas legal system by ensuring the court is staffed by qualified and skilled judges. For REALTORS®, the creation of this court would create peace of mind in case deals go awry.

### BY THE NUMBERS:

- Texas REALTORS® followed 1,848 of the 8,153 bills and joint resolutions filed in the regular session.
- 53 REALTOR®-supported bills passed (5 of which were vetoed).
- 0 bills opposed by the association reached the finish line.

### REINING IN PROPERTY TAXES

Skyrocketing property taxes were at the top of lawmakers' minds as they considered methods to rein in the growing bills Texas homeowners receive in the mail each year. As of publication time, lawmakers are in a special called session of the 88<sup>th</sup> Texas Legislature while they continue to weigh the best proposals to achieve these results. Here's a rundown:

**Compression:** Adding state funds to public schools to reduce the local school district tax burden on homeowners.

**Homestead exemption:** The Senate is pushing hard to increase the tax exemption on Texas primary residences from the current \$40,000 to \$100,000.

**Business personal property tax:** During the regular session, the Senate supported increasing the maximum amount allowed under this exemption from \$2,500 to \$25,000.

**Appraisal cap:** During the regular session, the House voted to lower the existing 10% cap on year-over-year residential appraised values to 5% and expand it to apply to all real property. Texas REALTORS® does not support this method of reining in property taxes.

### VETOED

Two REALTOR®-priority bills became political casualties after they were vetoed at the eleventh hour by Gov. Greg Abbott. The governor vetoed 76 bills from the regular session—the second-highest number of vetoes ever issued in Texas. The death of these bills was a big loss in an ongoing disagreement between the House and Senate over property taxes. As the Senate holds out on passing the property tax relief plan preferred by the governor, many of these vetoes seem intended to prod the lieutenant governor to action.

The below policies passed with overwhelming support during the regular session, and Texas REALTORS® looks forward to pushing similar bills past the finish line in another legislative session.

**SB 1668** would have extended a law passed in 2021 that increased transparency and accountability of owners associations to also cover condo owners associations, including a cap on resale certificate fees.

**SB 1916** would have required central appraisal district websites to include municipal and county public improvement district assessments on property records searches.