September 15th, 2026

Chairman Meyer and Members
House Committee on Ways and Means
Texas House of Representatives

RE: Written Testimony on Property Tax Relief

Chairman Meyer and Members of the Committee,

Texas has devoted historic amounts of state revenue to property tax relief. Yet Texans continue to face a system in which rising property values, government spending, and tax levies make owning a home or operating a business increasingly expensive. The Legislature should build upon its recent efforts by shifting its focus from temporary relief toward structural reform and eventual elimination.

One area deserving particular scrutiny is the continued reliance on larger homestead exemptions. Over the past decade, the school district residence homestead exemption has increased from $15,000 to $140,000 for most homeowners and to $200,000 for Texans age 65 and older or with disabilities. These policies unquestionably reduce liability for qualifying homeowners, but they do not reduce the underlying cost of government.

Exemptions redistribute tax burdens rather than eliminate them. Businesses, rental properties, homeowners receiving smaller exemptions, and ultimately consumers and renters continue bearing those costs.

This also raises questions of affordability and generational equity. Younger Texans already face higher home prices, interest rates, insurance costs, and property taxes. Continually expanding exemptions for existing homeowners while leaving the underlying spending untouched risks shifting an increasing share of the burden onto those trying to purchase their first home. Renters receive no direct homestead exemption at all, while property taxes imposed on rental housing ultimately affect the rents they pay.

Texas possesses a better option. The Texas Liberty Compact, Texas Policy Research's agenda for the 90th Legislature, calls for a phased elimination of property taxes. Rather than continually expanding exemptions, lawmakers should prioritize broad-based compression of school district maintenance and operations tax rates, using surplus-driven buy-downs to create a credible pathway toward eliminating school M&O property taxes.

Compression provides relief by lowering the tax rate itself rather than shifting the burden among taxpayers.
That effort must be paired with enforceable limits on government spending. State-funded compression cannot provide lasting relief if spending and tax levies simply grow around it. Without fiscal discipline, today's relief becomes tomorrow's tax increase.

Texas should stop measuring success by the size of the next exemption or the dollar amount of the next relief package. Success should be measured by whether Texans are becoming less dependent on legislative intervention to remain in their homes.

Property taxes represent a recurring claim on ownership. The ultimate objective should be ending that claim altogether.

For Liberty, For Texas!

Jeramy D. Kitchen
President | Texas Policy Research Action (TPRA)