



Legislative Priorities  
for the 88<sup>th</sup> Texas Legislature



On behalf of our association's 150,000-plus members, I'm proud to introduce the Texas REALTORS® Legislative Priorities for the 88<sup>th</sup> Texas Legislature. This publication highlights areas of interest Texas REALTORS® will monitor during the 2023 session.

Ours is truly a grassroots organization powered by local involvement. Over the last year, members of the association's Public Policy Issues Committees spent more than 1500 volunteer hours creating the policy priority statements contained in this book. These committee members are experienced Texas REALTORS® from across the state who know the importance of protecting the real estate industry through strong public policy. Our day-to-day work allows us to see the real-world implications of public policies and remain diligent in following the various issues affecting Texas real estate. This also helps us protect our vibrant local and state economies.

In the last year, Texans saw historic property tax increases that have exacerbated issues with housing affordability in our state. The upcoming Legislative session presents a unique opportunity to come up with property tax relief solutions thanks to a large budget surplus. We look forward to working with legislators on both sides of the aisle to accomplish this goal. In this case, and with whatever else the session brings, we are excited to be your go-to resource for anything related to real estate.

For over 100 years, our mission has been to ensure Texas remains a great place do business, raise a family, and buy, sell, or lease real estate. We look forward to working with you in the 88<sup>th</sup> Texas Legislature and beyond to achieve this goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Phipps', written in a cursive style.

Marcus Phipps  
2023 Chairman  
Texas REALTORS®

# Table of Contents

Annexation.....	3	Property Taxes .....	23
Appraisal Caps .....	4	Real Estate Wholesaling .....	24
Broadband Access .....	5	Residential Leasing .....	25
Central Appraisal Districts .....	6	Sales-Price Disclosure.....	26
Change-of-Use Taxes .....	7	Sales Tax on Professional Services.....	27
Eminent Domain Authority.....	8	Sales Tax on Real Estate Transactions.....	28
Energy and Electricity .....	9	Special Districts Disclosure.....	29
Extra-Territorial Jurisdictions .....	10	Texas Real Estate Commission.....	30
Home Equity .....	11	Title Insurance .....	31
Homeowners Associations .....	12		
Hospital Development.....	14		
Housing Affordability .....	15		
Investment in Infrastructure.....	16		
Infrastructure: Transportation .....	16		
Infrastructure: Water.....	18		
Irrigation Districts.....	20		
Model Subdivisions .....	21		
PACE lending.....	22		



Scan this QR code to access the Texas REALTORS® Legislative Priorities for the 88<sup>th</sup> Texas Legislature on the web.



# Annexation

## Issue

Annexation has pros and cons for affected residents: they may have access to city services, such as utilities and law enforcement, but they will also be subject to the new city taxes and land use regulations. Texas REALTORS® believes this decision should be left up to the affected residents.

## What does this mean for the real estate industry?

Texas REALTORS® are the state's leading advocates for private property rights. REALTORS® want to empower property buyers, their clients, to decide whether or not they want additional services and the fees that come with them.

## The Texas REALTOR® position

Our association believes forced annexation is un-Texan. Property owners deserve the right to have a say in whether their property is annexed.

Providing property owners the right to vote on whether their property should be annexed empowers them to make decisions for themselves.

Texas REALTORS® acknowledge that property owners may wish to seek voluntary annexation by a nearby municipality, and we support an accessible and fair process for those property owners to use. In any annexation agreement, property owners deserve to be given clear information about the impacts of being annexed, such as financial or regulatory impacts, type of municipal services they may be provided, and the timeline for the delivery of those services.

## Legislative outlook

Expect legislation that would reform municipal regulatory authority in voluntarily annexed territories—see **Extra-Territorial Jurisdictions** on page 12.

## Historical perspective

In 2019, a new law ended forced municipal annexation statewide, giving property owners a say in whether they are annexed.

# Appraisal Caps

## Issue

Texas real estate is in demand, and the increase in value is what makes property in our state such a great investment.

In fact, the state's homeownership rate reached an all-time high of 70% in 2020, according to the Real Estate Center at Texas A&M University.<sup>1</sup>

However, some legislators want to lower the current 10% appraisal cap rate to 3% or 5% under the guise of limiting the property tax bill of a residential homestead. Further artificially limiting the appraisal value of a home through a government overreach program sets a dangerous precedent.

Unfortunately, these proposals guarantee an automatic annual increase in a property tax bill. Appraisal caps also shift the property tax burden of higher-valued properties to middle-class homes, which typically do not appreciate in value as much as higher-priced homes.

## What does this mean for the real estate industry?

Vilifying appraisal increases is dangerous rhetoric and can lead younger populations to shy away from homeownership. Value increases in real property are signs of a robust local and state economy and lead to greater building of wealth.

In fact, a 2021 paper by the Joint Center for Housing Studies at Harvard University focused on U.S. homeownership and its financial benefits concluded that homeownership improves quality of life for families: "It is the most common method for such a family to build wealth: by paying down mortgage principal each month and participating in the long-term appreciation of home values, a family can build wealth that can be used for retirement or other needs, including helping the next generation."<sup>2</sup>

## The Texas REALTOR® position

Texas REALTORS® opposes efforts to reduce the property-tax appraisal cap from its current level of 10% because such stringent caps create inequalities in the tax burden and do not achieve property tax reductions for taxpayers. We also oppose the imposition of an appraisal cap on commercial properties.

## Legislative outlook

Expect several bills to be filed relating to lowering the appraisal cap for homestead properties. These bills may also try to extend the appraisal cap to all real property in Texas. These efforts are attempting to rein in increasing property tax bills, but legislators

should instead focus their attention on the process to set tax levies at the local level.

## Historical perspective

A limit on appraisals was enacted by the Texas Legislature in 1997 and was fully implemented for the 1998 property tax year. The cap on appraised values is currently applicable only to residential homesteads. Past legislatures have correctly turned away these types of ill-advised proposals guaranteeing an automatic increase in local property tax bills.

While the political pressure to lower the appraisal cap percentage may be great, there are consequences. Appraisal caps do not address the underlying problem with our current property tax system. Appraisal caps would merely artificially limit the increase in value a residential homestead could experience.

Lowering the property-appraisal cap also creates havoc within the appraisal system.

A recent report from the Real Estate Center at Texas A&M University outlines the detrimental impacts various tax plans following this model would have on the Texas economy.<sup>3</sup>

According to the report, "[a] proposal to cap value increases at 5% per year similar to the California Proposition 13 model offers a promise of relief from climbing taxes, but the cure could produce undesirable side effects in the long run" and "... would work to distort housing purchase decisions by keeping property taxes low for long term residents."<sup>4</sup>

The report's conclusion found that the prospect of appraisal caps "threatens to impact the marketability of new homes and retard demand for new development by increasing the burden of purchasing new homes or even moving to another existing home. As time passes that impediment would continue to grow into a sizable distortion of the housing market."<sup>5</sup>

1 "Despite pandemic, Texas homeownership hits all-time high," Texas A&M University Texas Real Estate Research Center, November 17, 2020. <https://www.recenter.tamu.edu/news/newstalk-texas?Item=25201>

2 "The Homeownership Rate and Housing Finance Policy - Part 1: Learning from the Rate's History," Joint Center for Housing Studies of Harvard University, August 19, 2021. <https://www.jchs.harvard.edu/research-areas/working-papers/homeownership-rate-and-housing-finance-policy-part-1-learning-rates>

3 "Property Taxes: The Bad, The Good, and The Ugly," Real Estate Center at Texas A&M, 2013. <https://assets.recenter.tamu.edu/documents/articles/2037.pdf>

4 Ibid.

5 Ibid.

# Broadband Access

## Issue

For years, REALTORS® have advocated for dependable and affordable internet access statewide. The COVID-19 pandemic reinforced this need as Texans were forced to work from home, or to take classes from home. During this time, Texans without ready access to broadband were unable to see healthcare providers from their living room, fill out job applications online, start businesses or access online marketplaces from their kitchen tables.

The pandemic and our increasingly virtual world have increased dependence on high-speed internet in homes across the state and emphasized the challenges faced in communities without broadband access.

Experts say that more than 9 million Texans still lack broadband access at home, and four of the five least-connected cities in the country are in Texas. Three—Pharr, Brownsville, and Harlingen—are in the Rio Grande Valley.<sup>1</sup>

## What does this mean for the real estate industry?

Increased access to broadband internet is a critical infrastructure goal that would benefit individual Texans and the state overall in several ways. With increased access, real estate consumers will be provided with more housing options as more Texans have the option to work remotely. This would bring economic development opportunities for smaller communities outside of the state's metro areas.

Enhanced broadband access will also provide real estate professionals with greater ability to conduct business in the field, shortening wait times that only exist for the parties to reach a service area when minutes can make a difference.

In addition, increased broadband access is necessary for educational and professional success. Estimates indicate that digital tools could generate more than \$6.6 billion in increased annual sales for rural Texas businesses.<sup>2</sup>

## Texas REALTORS® position

Critical first steps have been taken toward expansion of broadband infrastructure and services throughout Texas, especially in rural areas. Looking forward, Texas REALTORS® supports additional public and private investment in those technologies, including community needs assessments, physical infrastructure, and consumer training.

Texas REALTORS® supports continued investment in broadband throughout the state, especially to the many that have no or



inadequate service. Adequate connectivity will make more communities viable for Texans.

## Legislative outlook

In 2023, legislators will continue to expand broadband access. Bills will likely be filed to provide the newly created Broadband Development Office with the tools it needs to fulfill its objectives.

## Historical perspective

In 2019, the Legislature passed broadband-related legislation, including laws that created the Governor's Broadband Development Council; laws that authorize electric cooperatives to provide highspeed internet service to their customers using the cooperative's existing electricity easements; and laws to allow broadband providers to work with the Texas Department of Transportation to deploy broadband access using the state's right-of-way.

Legislation passed in 2021 established a new Broadband Development Office (BDO) that will provide grants to expand access to broadband and other services in eligible areas. Currently, the office is conducting research to evaluate the scope of the problem. By 2023, the BDO says it will establish a broadband-focused grant program, publish a broadband availability map, and improve coordination and communication across stakeholders.<sup>3</sup>

<sup>1</sup> "Millions of Texans still don't have broadband access. Some lawmakers are trying to change that," Texas Tribune, March 8, 2021. <https://www.texastribune.org/2021/03/08/internet-broadband-texas/>

<sup>2</sup> Texas' Digital Divide: The State of Broadband in Texas' Rural Communities," Fiscal Notes, October 2019. <https://comptroller.texas.gov/economy/fiscal-notes/2019/oct/divide.php>

<sup>3</sup> "Texas Broadband Plan 2022," Texas Broadband Development Office, June 15, 2022. file:///C:/Users/mohanlon/Downloads/broadband-plan-22.pdf

# Central Appraisal Districts

## Issue

Property appraisal is one of the elements that determine tax liability for real property in Texas. However, the appraisal process and local taxing-jurisdictions' budget processes have become increasingly convoluted and difficult for property owners to understand.

In addition, many commercial and residential property owners believe the processes to appraise property and protest appraisals are not transparent, fair, or uniform across central appraisal districts (CADs).

Recent public comment has demonstrated a lack of understanding of CADs' role, leading many property owners to believe CADs either work for or collude with local taxing jurisdictions.

## What does this mean for the real estate industry?

A transparent and improved appraisal process for commercial and residential property means a more stable and reliable real estate market.

## The Texas REALTOR® position

Texas REALTORS® supports legislation that would increase state oversight of central appraisal districts and appraisal review boards, including added transparency around mass appraisal methods for residential and commercial real property, and business property taxes.

Our association opposes any changes to the “equal and uniform” appraisal laws, which ensure property owners are treated fairly during the ad valorem appraisal process.

Texas REALTORS® opposes the election of chief appraisers and appraisal review board members, as elections would politicize the appraisal process. Chief appraisers were intentionally made appointed officials during the historic property tax reforms of 1979 and 1981 for just this reason.

## Legislative outlook

More reforms in the appraisal process will ensure property owners have more trust in the appraisal process. Expect legislation that aims to achieve that goal.

## Historical perspective

In 2020, a Senate Select Committee on Property Tax Relief and Reform looked at solutions to provide Texans with relief from skyrocketing property tax bills. The select committee heard

many potential solutions, including increasing the state's share of public education funding, lowering the rollback rate, requiring an automatic election if a taxing entity exceeds the rollback rate, lowering the appraisal cap on residential homesteads, and expanding the appraisal cap to all real property.

As a result, lawmakers were able to pass House Bill 2941 during the 87<sup>th</sup> Texas Legislature. That legislation changed how members of appraisal review boards are appointed. The intention of this new law is to make ARBs less biased in favor of the government, which would benefit taxpayers who protest their CAD's valuation of their property for tax purposes.<sup>1</sup>

<sup>1</sup>House Bill 2941. Texas Legislature Online, 2021. <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=87R&Bill=HB2941>



# Change-of-use Taxes

## Issue

Central Appraisal Districts are responsible for determining and applying the taxable value for all properties in their respective counties, but because Texas has a variety of property types, we don't have a one-size-fits-all appraisal approach.

For example, much of Texas' land is used for agricultural purposes, and our state allows property owners to have their land appraised based on the land's capacity to produce agricultural products rather than the land's market value. This often provides a substantial reduction in the appraised value that is used for ad valorem taxation.

However, the Texas Tax Code allows that when land that has qualified for agricultural appraisal changes use to nonagricultural purpose, the property owner who changes the use will owe a "rollback tax" for each of the previous three years when the land had the lower appraisal (with some exceptions). This "rollback" tax is the difference between the taxes paid on the land's agricultural value and the taxes that would have been paid if the land had been taxed on its higher market value.

## What does this mean for the real estate industry?

This circumstance results in unfair and unjustified ad valorem taxation on property owners. A significant future tax burden can deter potential property owners from seeking to use their property as they see fit, which violates their private-property rights. When considering the burden of "rollback" tax liability, property owners may be hesitant to reclassify their property from agricultural to another use, which not only places a burden on the owners, but potentially limits community growth.

## Texas REALTORS® position

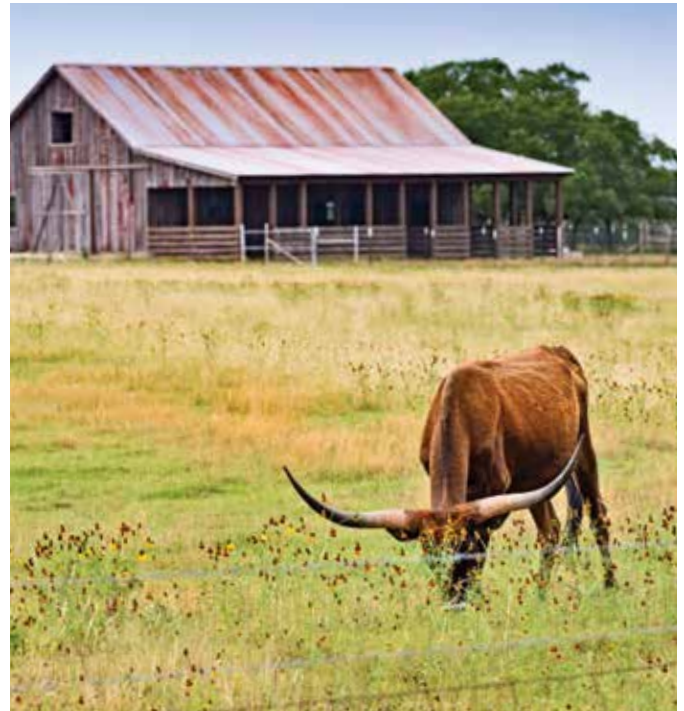
Our association supports repealing or reducing the three-year "rollback" tax collection and when land that has qualified for agricultural appraisal changes use to non-agricultural purpose.

## Legislative outlook

We expect to see legislation addressing this issue as the Texas Legislature continues to focus on reducing property tax burdens statewide.

## Historical perspective

Texas has two constitutional provisions that value qualified property based on its agricultural use rather than on its market value.



Voters first added agricultural valuation to the Texas Constitution in 1966 as Article VIII, Section 1-d. Property qualified if it was used for agricultural purposes and was owned by a family or individual whose primary occupation was farming or ranching. The primary purpose was to keep land in agricultural use and protect legacy farming. As Texas became increasingly urbanized and ownership shifted from the family farm to other ownership structures, this approach became increasingly ineffective.

In 1978, voters added Article VIII, Section 1-d-1 to the Constitution. This approach focuses entirely on the use of the land and does not consider ownership structure or occupation. This approach is now used for most agricultural valuation in Texas.

The two provisions contained a "rollback" penalty to discourage changes from agricultural use and prevent the holding of property in agricultural classifications simply to avoid paying taxes on market value. The deduction from market value for agricultural use property is estimated at more than \$210 billion.

It now appears that the "rollback" penalty has served its purpose and has become counterproductive to development and a limitation preventing needed value additions to taxing unit tax bases.

A law passed in 2019 reduced change-of-use lookback taxes due when a property is changed from agricultural to nonagricultural use from 5 years to 3 years. In 2021, during the subsequent session, the Legislature also eliminated interest charges on change-of-use taxes.



# Eminent Domain Authority

## Issue

The Texas Constitution limits the use of eminent domain by requiring adequate compensation for the land on which eminent domain is used. The exercise of this power, while considered a necessary tool of government, has been argued to have been expanded and abused.

Texans continue to struggle with an unbalanced set of laws at odds with a state known for private property rights. Our association understands the need for legitimate property condemnations; however, landowners should be justly and timely compensated.

## What does this mean for the real estate industry?

Private property rights are threatened whenever the government uses eminent domain. Property owners should be treated fairly and protected from abusive eminent-domain practices.

## The Texas REALTOR® position

Our association understands the need for legitimate property condemnations; however, landowners should be justly and timely compensated. As the leading advocates for private-property rights, Texas REALTORS® is uniquely positioned to ensure fair treatment of property owners.

Significant improvements can be made to enhance protections of private-property rights for Texans. Our association supports legislation that:

- Requires pipeline and electric utility easement agreements to include a list of basic terms to protect the landowner during construction and future use of the easement, and requiring these companies to use a standard document provided by the Attorney General that includes these terms.
- Provides landowners with information about the project seeking their land and about their rights by requiring a public meeting in each county where affected landowners can ask questions about the project and the company's eminent domain authority—as is required for public entities with eminent domain authority.
- Requires a condemning company to inform the landowners of their rights and how the company will calculate fair compensation.
- Protects the landowner's right to receive a bona fide offer by ensuring a landowner receives an initial offer of fair compensation and information necessary to evaluate whether

the initial offer is truly a bona fide offer, and requiring a bad actor that negotiates in bad faith to make an additional “penalty” payment to the property owner.

## Legislative outlook

Every few years, the Texas Legislature will take up bills attempting to balance private property rights with utilitarian uses of the complicated eminent domain process and resolve pending issues like the constitutional question of who should have the burden of proof, what kind of entities have condemnation authority, and the definition of public use. In 2021, lawmakers once again looked at the issue and ultimately passed legislation increasing transparency of the process. The extent of the changes makes it unlikely significant additional ideas related to eminent domain will be passed during the 88th Legislature.

## Historical perspective

In 2005, during the 79<sup>th</sup> Legislature's second called session, lawmakers passed Senate Bill 7 prohibiting entities with the authority to use eminent domain from condemning private property for economic purposes.

In November 2009, Texans took the first step toward strengthening private property rights against abusive eminent domain by passing Proposition 11 with an overwhelming 81% of the vote.

Eminent domain was one of Gov. Perry's emergency legislative items for the 82nd Texas Legislature in 2011. Senate Bill 18, which strengthened property owners' rights in eminent-domain takings, passed and has been signed into law. The law limits the purposes for which a property may be condemned and specifies that taken property must be made available for resale to the original owner if it's not used for its intended purpose after 10 years.

In 2013, during the 83rd Texas Legislative session, the Texas Open Beaches Act (House Bill 3459) granted the public the free and unrestricted right to access state-owned beaches and a right to use any public beach or larger area extending from the line of mean low tide to the line of vegetation bordering the Gulf of Mexico.

During the 87<sup>th</sup> Texas Legislature in 2021, lawmakers reformed eminent domain to make it fairer and increase property owner awareness of their rights in the condemnation process. Under the new law, condemning entities must include more information in an initial offer to property owners, including the landowner's bill of rights, a property appraisal including the remainder of the property not being condemned, and a list of negotiable terms.

# Energy and Electricity

## Issue

In February 2020, Winter Storm Uri and subsequent widespread blackouts highlighted the need for energy stability within the state's grids. Nearly 70% of Texans lost power as a result—and some were without it for days. More than 200 deaths were linked to the storm.<sup>1</sup> There were multiple factors leading to the blackouts, but failures from all power generating sources, inaccurate forecasts, timing of planned maintenance outages, dated infrastructure, and inadequate resiliency against the ice and snow were among the causes.<sup>2</sup>

Extreme weather events like Uri put a strain on state's energy infrastructure as demand for power-hungry heaters or air conditioning rises. Although new power generation (including gas-powered plants, wind and solar farms, geothermal energy, and other innovative sources) continue to be built in Texas at a rapid pace, infrastructure needed to effectively utilize that power has lagged.<sup>3</sup>

## What does this mean for the real estate industry?

Texas provides an environment that fosters the growth of business and attracts outside investors. If the state is to continue leading the nation as an economic powerhouse, Texas grid operators must be able to keep the lights on. REALTORS® want to keep Texas a great place to live and do business, ensure the safety of homeowners and renters, and maintain reasonable energy prices so property owners can afford their utility bills.

## The Texas REALTOR® position

Reliable and resilient electricity and energy services are critical to the wellbeing of all Texans. Texas is and should continue to be a global leader in both oil and gas and renewable energy technologies. The Legislature should continue to prioritize that multi-modal energy system that facilitates safe delivery of electricity and other energy services to residents and businesses, as well as innovative technologies that may add to the state's overall energy supply without detracting from traditional sources.

## Legislative outlook

Expect several bills to be filed that would help fund infrastructure like transmission lines and incentivize the development of new energy plants. The Legislature may also pursue more bills that would increase the transparency and accountability of state-run agencies like the Public Utility Commission and the Electric Reliability Council of Texas.



## Historical perspective

In 2005, the Texas Legislature passed legislation establishing the Texas Competitive Renewable Energy Zone (CREZ) initiative. The creation of these zones, based on concentration of wind-power resources, helped identify where transmission infrastructure was needed. The bill also subsidized construction of those lines.

Following Winter Storm Uri in 2021, the 87<sup>th</sup> Texas Legislature passed legislation to map existing energy infrastructure to ensure adequate weather proofing. Other bills passed that session aimed to increase accountability of the state agencies overseeing utilities and the grid.

<sup>1</sup> "Winter Storm Uri 2021: The Economic Impact of the Storm," Texas Comptroller of Public Accounts, October 2021. <https://comptroller.texas.gov/economy/fiscal-notes/2021/oct/winter-storm-impact.php>

<sup>2</sup> "The Timeline and Events of the February 2021 Texas Electric Grid Blackouts," The University of Texas at Austin Energy Institute, July 2021. <https://energy.utexas.edu/sites/default/files/UTAustin%20%282021%29%20EventsFebruary2021TexasBlackout%2020210714.pdf>

<sup>3</sup> "As Texas increases renewable energy production, grid capacity and transmission haven't caught up," Texas Standard, July 17 2022. <https://www.texasstandard.org/stories/as-texas-increases-renewable-energy-production-grid-capacity-and-transmission-havent-caught-up/>

# Extra-Territorial Jurisdictions

## Issue

The extraterritorial jurisdiction (ETJ) is an “unincorporated area that is contiguous to the corporate boundaries” of a municipality, as outlined in the Local Government Code. The size of a municipality’s ETJ generally depends on its population, and a city’s ETJ can only expand as a result of annexation, landowner request, or an increase in the city’s number of inhabitants.

The Texas Legislature created the concept of ETJs in 1963 to “promote and protect the general health, safety, and welfare of persons residing in and adjacent to” cities.

Municipal regulatory authority over ETJs in Texas has a variety of purposes, but arguably the most significant has historically been related to planning, development, and future annexation.

With the elimination of forced municipal annexation in 2019, the time has come to thoroughly examine the merits of and needs for municipal regulatory authority in ETJs.

## What does this mean for the real estate industry?

Many Texans purchase property outside of city limits to avoid the regulations and taxes imposed by city government.

However, residents of a city’s ETJ may still be subject to regulations and fees, which can increase the cost of owning real estate and can price owners out of their property.

This can also limit a buyer’s options if they avoid purchasing property near cities because the property is potentially subject to city regulations despite being out of city limits.

Texas is experiencing continued growth in population across the state, often in rural and farming communities as new residents seek opportunities to own Texas real estate. However, this growth makes it increasingly important for property owners to be aware of the rights and protections granted to property owners who consistently use their property for agricultural operations from nuisance lawsuits.

## Texas REALTOR® position on ETJs

Texas REALTORS® understands the need for local governments to conduct long-range growth planning to ensure that development is well-considered and that adequate infrastructure can be provided to residents and businesses. However, we are concerned about the current extent of municipal regulation in extra-territorial jurisdictions, as well as the conflicts that arise between cities and counties regarding regulation of properties and development in ETJs.

Further, we are concerned about the lack of representation provided to property owners in ETJs; that is, they cannot participate in elections for the municipal representatives who are enacting and enforcing regulations on their properties.

Following the end of forced annexation in Texas in 2019, there is a need to reevaluate the use and effectiveness of ETJs and municipal land-use regulations in those areas. Texas REALTORS® supports a thorough analysis of ETJs to determine whether changes to that governing structure are warranted. This analysis should include a focus on protecting private property rights and ensuring property owners are receiving value from the local governments that regulate their properties.

## Texas REALTOR® position on Local Rulemaking Authority

Texas REALTORS® understands the objective to “preserve the general health, safety and welfare of persons residing in or adjacent to” municipalities, but that interest must not be seen as permission for any wholesale expansion of municipal rulemaking authority within those jurisdictions.

Texas REALTORS® supports the enforcement of laws designed to protect the property rights of landowners within ETJs or who consistently use their property for agricultural operations, such as Right-to-Farm laws. Our association believes property owners should be given clear information regarding their rights in these circumstances, as well as swift and simple pathways to recourse if those rights are violated.

## Legislative outlook

Lawmakers may file legislation to reform municipal regulatory authority in ETJs as well as county land-use authority. Our association also expects the Texas Legislature to continue supporting private-property rights by addressing the need for enforcement of Right to Farm laws.

## Historical perspective

In 2019, a new law ended forced municipal annexation statewide, giving property owners a say in whether they are annexed. With that monumental policy change, municipal interest in ETJs has shifted focus and will have reduced consideration for long-term municipal expansion.

# Home Equity

## Issue

When it comes to home-equity lending, Texas has some of the most conservative homeowner protections in the country. Key among these provisions is the requirement stipulating a home-equity loan may not exceed 80% of the market value of the homestead (80% LTV). This Texas Constitution protection allows ample access to capital while at the same time ensuring homeowners do not incur excessive debt. This measure helped insulate Texas from the recession that followed the 2008 housing bubble.

## What does this mean for the real estate industry?

Some states allow for home-equity loans upward of 120% loan-to-value (LTV), creating a situation where homeowners become instantly upside down because they owe more to the bank than their homes are worth. When real estate values dipped in these states, many homeowners walked away from their obligation. Foreclosures hurt the overall real estate market and lower home values.

## The Texas REALTOR® position

Our association supports maintaining the strong consumer protections in home-equity lending provided in the Texas Constitution and opposes moving any segment of those protections, including the required 12-day advanced consumer notice before loan closing, from the Constitution to the Texas Finance Code, or any other statutes.

## Legislative outlook

Some lawmakers may seek to dilute conservative constitutional protections afforded to Texas homeowners. There may be some attempts to pass a joint resolution amending these consumer protections, however, most lawmakers agree that these protections helped Texas avoid much of the national foreclosure crisis.

## Historical perspective

In 1997, the Texas Association of REALTORS® was very involved in passing a constitutional amendment allowing Texans access to the equity in their homestead. Texas, for more than 140 years, did not allow home-equity loans because of the possible repercussions from defaulting on the loan.

Since 1997, when the voters of Texas approved home equity lending, some lender groups have tried to tinker with the home-equity provisions of the Texas Constitution to either make them



more lender-oriented and a little less consumer friendly or to allow changes to home equity law more easily without having to go to Texas voters for approval.

In 2003, Texas voters passed constitutional amendments that allowed homeowners who currently have one type of home-equity loan to refinance it with another type of home-equity loan to comply with the limitation in the law. Minor revisions were passed during the 2007 legislative session that modified the procedures for obtaining a home-equity loan.

In 2017, Texas voters overwhelmingly approved a constitutional amendment (Proposition 2) that modernized how Texas homeowners can access home equity loans and home equity lines of credit, including:

- Redefined what is and is not included in the calculation of the 3% cap on fees associated with a home equity loan
- Allowed for a seasoned refinanced loan into one loan with one rate and term
- Maintained the \$4,000 draw requirements on home equity lines of credit (HELOCs) and increased the 50% equity provision to 80%—same as in a home equity loan
- Allowed farm and ranch property owners to acquire home-equity loans, while allowing for continuation of agricultural valuation of their properties
- Made technical changes in the Texas Constitution to ensure out-of-date terminology was updated.

As a result, home equity loans have been made available to more Texas homeowners—all while maintaining the strict consumer protections that have served the state so well. In addition, homeowners with existing home equity loans now have more options when it comes to refinancing.



# Homeowners Associations (HOAs)

## Issue

Homeowners' associations exist to enhance neighborhoods and increase property values. Increasingly, though, HOAs are taking on functions local governments traditionally provide. The Texas Legislature has addressed HOA issues a number of times over the last 20 years, yet property owners and property buyers still voice concerns over actions taken by HOAs.

Most of the problems with HOAs generally fall into three categories:

- Financial or collection issues
- Deed-restriction enforcement
- Lack of responsiveness from the HOA

## What does this mean for the real estate industry?

HOAs can provide a great benefit to property owners by enhancing their quality of life and the enjoyment of their property. However, when the HOA is not managed effectively, buying and selling homes in those neighborhoods can be difficult, and property rights may be infringed.

## The Texas REALTOR® position

Texas REALTORS® supports efforts to reform laws governing homeowners' associations to ensure HOA operations are transparent and resident -friendly. We understand that HOA-related legislation should seek to provide an appropriate balance between private property rights and agreed-upon community standards, but any reforms must also uphold property owners' First and Fourteenth Amendment rights.

Our association supports extending certain consumer protections established in the Residential Property Owners Protection Act (Chapter 209 of the Texas Property Code) to properties that are regulated under condo regime statutes.

We support legislation requiring HOAs and related nonprofit corporations to be registered entities with regulatory oversight (whether from their county or an agency of the State of Texas). Given the authority HOAs have over individual properties, such as lien and foreclosure ability, regulatory oversight is necessary to ensure proper due process and consumer protection.

Texas REALTORS® supports firm timelines for producing HOA documents related to property sales, as well as reasonable and necessary fee limits.

Our association also supports legislation to eliminate the exemption for fees paid to 501(c)3 and 501(c)4 corporations from the transfer fee ban in the Texas Property Code.

Texas REALTORS® supports legislative efforts to ensure property owners in HOAs have a right to financial privacy, including limiting credit reporting.

Texas REALTORS® believes the right to rent is a fundamental part of the property rights bundle, and that property owners' associations should not limit property owners' ability to lease their properties, regardless of lease term.

## Legislative outlook

The Texas Legislature seeks to regulate homeowners' associations and make them more accountable to property owners in their jurisdictions through bills heard every session.

Many times, egregious actions by homeowner associations are reported in the news, prompting legislators to file bills intended to address one particular issue. In 2011 and 2021, the Legislature sought to get to the root of the problem by reforming HOA management practices. However, some HOA management continues to restrict certain activities which can violate a person's First Amendment rights.

In 2023, expect bills to be filed that would protect a property owner's ability to live their life without intrusion from a quasi-governmental entity.

## Historical perspective

In 2011, the 82<sup>nd</sup> Texas Legislature made significant pro-homeowner changes to laws regulating HOAs. The most significant applied a priority-of-payment structure, so that a delinquent homeowner's payments are applied in the following order: delinquent assessments, current assessments, HOA attorney fees, fines, other past-due amounts. There were also changes to HOAs' foreclosure and notification-of-foreclosure proceedings. Other laws touch on everything from access to meetings, homeowners' voting rights, solar panels, rain-harvesting systems, religious displays, flags, and resale certificates.

In 2015, the 84<sup>th</sup> Texas Legislature passed House Bill 2489, which keeps HOAs out of the property-management business. The resulting law protects property owners' rights by clarifying that HOAs don't have the authority to screen, approve, or deny prospective tenants. The law also explicitly states that prospective tenants don't have to provide a credit report or lease application to the HOA.

Most recently, in 2021, the 87<sup>th</sup> Texas Legislature passed sweeping reforms of HOA governance policies and procedures. This pro-property owner legislation limited the ability of HOAs to ban certain property modifications, increased record-keeping requirements, increased the notice period for regular HOA board and budget meetings, attempted to limit conflicts of interest, and required HOAs to be submit their management certificates to the Texas Real Estate Commission, which TREC is to make publicly available.

# Hospital Development

## Issue

Texans depend on hospitals in their communities for timely and local access to healthcare and are increasingly relying on telehealth services. However, 70% of Texas counties are considered rural, and the healthcare facilities in many rural areas experience challenges such as limited workforce and resources, provider shortages, and a remote geographic location.

Many patients who access hospitals use public programs such as Medicare and Medicaid. Hospitals who rely on these public programs are vulnerable to payment cuts when federal funds are threatened, which puts small and rural healthcare providers in jeopardy.

Insufficient access to primary care and other essential services in Texas leads to poorer health outcomes for Texans and increases the likelihood of more expensive treatments.

In October 2022, 71 rural Texas counties lacked hospitals. Rural hospitals have been closing at incredible rates. From 2005 to November 2020, 176 rural hospitals nationwide have closed, 24 of which were located in Texas.<sup>1</sup>

The COVID-19 pandemic has heightened the importance of access to hospitals and telehealth for protecting and serving the healthcare needs of Texans.

## What does this mean for the real estate industry?

Hospitals are essential to a community's health and well-being as healthcare providers and as employers and investors in the community. They are economic anchors for rural communities, and the loss of rural hospitals can result in business closures, population decline, and reduction in the sales tax base which impacts other community services.

Access to healthcare facilities boosts communities' attractiveness to buyers, makes it more likely that residents will stay, and increases options for real estate buyers and investors seeking livable communities.

## Texas REALTORS® position

Our association supports the development and funding of hospitals and health care in all parts of Texas, and especially in our rural communities.

Innovative telehealth treatment options allow for expedient and safe care to be provided to patients in areas with minimal facilities who cannot access in-person care. More areas of Texas will be sustainable if Texas makes every effort to support online health service options.



## Legislative outlook

We expect lawmakers to introduce legislation that would invest in rural hospital development, expand Medicaid, and improve telehealth access.

The Texas Legislature has made great strides over the years to increase healthcare access, work toward making healthcare more affordable for Texans, and pass pro-consumer healthcare legislation.

Most recently, new laws from 2019 essentially ended the practice of surprise medical billing and its negative impact on consumers, increased transparency of freestanding emergency rooms in Texas, and increased access to telemedicine and telehealth services, especially in rural communities.

In the 2020-2021 state budget, lawmakers approved more than \$100 million to help rural hospitals, demonstrating their dedication to supporting Texans in these areas.

The American Rescue Plan Act (March 2021) also allocated about \$40 billion in federal funds to Texas, much of which was specifically earmarked for investment in health care and infrastructure.

<sup>1</sup> "176 Rural Hospital Closures: January 2005-Present (134 Since 2010)," NC Rural Health Research Program. The Cecil G. Sheps Center for Health Services Research, University of North Carolina, <https://www.shepscenter.unc.edu/programs-projects/ruralhealth/rural-hospital-closures/>

# Housing Affordability

## Issue

Following years of generally sluggish growth, median family income in Texas increased 13.6 percent between 2021 and 2022.

According to data compiled by the Texas A&M Real Estate Research Center, average home prices have continued to increase over the last decade while housing inventory has declined.<sup>1</sup> Lower housing availability makes buying a home more difficult for lower- and median-income Texas families in particular, whose limited budgets make it harder to compete. And, at the same time, the average rate on the 30-year fixed-rate mortgage increased nearly 3 percentage points in the first half of 2022. All other things being equal, higher mortgage interest rates translate into higher monthly mortgage payments and diminish buying power. The Federal Reserve is widely anticipated to continue to raise interest rates over the near-term to reduce inflationary pressures, which will likely prompt additional increases in mortgage interest rates.

According to the Texas Affiliation of Affordable Housing Providers (TAAHP), 49% of Texans are cost-burdened, meaning that they spend more than 30% of their household income on housing costs and utilities. As long as the rise in home prices continues to outpace the increase in income, purchase affordability, or the ability of a household to buy a home, will continue to diminish.

## What does this mean for the real estate industry?

Housing affordability impacts inventory, which in turn affects the sales of Texas REALTORS®. The Texas housing market has cooled with housing inventory increasing from only about a month of inventory at the peak in May 2021 to 2.7 months of inventory in the third quarter of 2022. However, the major metros continue to have a limited supply, especially at lower price points. To maintain the health of the real estate industry, housing must be available at a wide range of price points for a wide range of potential buyers.

## Texas REALTOR® position on Housing Affordability

Texas REALTORS® supports housing that is affordable to all Texans and supports creative solutions to help boost homebuying among Texans of all income levels. This could include the creation of a self-sustaining no- or low-interest revolving mortgage loan fund using state funds, and public-private investment in housing supply.



County and municipal regulatory barriers can be a significant impediment to the development of new housing. Texas REALTORS® supports the reduction and elimination of cumbersome processes, certain development requirements and restrictions, and lengthy permitting timelines.

## Texas REALTOR® position on Workforce Development

Our association supports investment in skilled trades education, including public-private partnerships to streamline certification programs.

## Legislative outlook

Expect several bills to be filed that would increase avenues to homeownership and/or develop and aid existing workforce training programs.

## Historical perspective

In the 87<sup>th</sup> Texas Legislature, House Bill 2784 established the Texas Industry-Recognized Apprenticeship Programs Grant Program within the Texas Workforce Commission.<sup>2</sup> The new program will help train Texans for jobs that pay a living wage and place them on the path toward homeownership.

<sup>1</sup>“Texas Housing Affordability Outlook,” Real Estate Center at Texas A&M, 3rd Quarter 2022, <https://assets.recenter.tamu.edu/documents/articles/2037.pdf>

<sup>2</sup>“Governor Abbott Ceremonially Signs Workforce Development Legislation,” Office of the Texas Governor, October 24, 2019, <https://gov.texas.gov/news/post/governor-abbott-ceremonially-signs-workforce-development-legislation>





# Investment in Infrastructure

## The Texas REALTOR® position

Funding from the federal Infrastructure Jobs Act of 2021, coupled with optimistic state budget projections, provides Texas a unique opportunity to put significant financial investment in critical infrastructure such as water systems, roadways and transit, utility systems, and natural disaster resiliency.

## Infrastructure: Transportation

### Issue

Despite statewide Proposition 1 passing in 2014, highway and road construction in Texas remains underfunded. The shortfall is due mostly to an underperforming gasoline tax and an unwillingness to adjust the tax or increase other transportation-related fees.

The problem is magnified by a population boom, mostly in and around urban population centers. In fact, Texas has four of the 11 most-populous cities in the United States (Houston, Dallas/Fort Worth, San Antonio, and Austin), each of which is growing rapidly.

Due to an insufficient revenue stream, the Texas Department of Transportation (TxDOT) has been forced to over-rely on bond debt to fund roadway maintenance and new transportation projects. However, TxDOT's main bond programs (State Highway Fund bonds, Texas Mobility Fund bonds, and general-obligation highway bonds) are effectively exhausted. Additionally, the agency currently pays approximately \$1 billion per year (about

10% of its annual budget) in interest payments on the outstanding bond debt—which exacerbates the funding shortfall.

With the uncertainty of future federal dollars, diminishing revenue, and depleted bond capacity, TxDOT has also resorted to a large number of public/private partnerships, i.e., toll roads.

Clearly, bonds and toll roads are important pieces of the transportation-funding solution, but they will not meet the growing demands on transportation infrastructure by themselves.

## What does this mean for the real estate industry?

An insufficient transportation network impedes commerce, increases the costs of goods and services, and creates air-quality issues. Furthermore, poor infrastructure limits viable housing options for Texans and decreases quality of life.

## The Texas REALTOR® position

The State of Texas must ensure its citizens the right to a safe and efficient transportation system. In doing so, the state must address numerous issues: congestion, capacity, construction and maintenance costs, safety, age and condition of roadways, the impact transportation delays have on air quality, cost of goods, and quality of life. Failing to pay for infrastructure needs will ultimately cost state taxpayers an extraordinary amount of money in the future.

Our association supports the following:

- The Texas Transportation Commission and Texas Department of Transportation should ensure accountability, transparency, and public involvement in the transportation-planning process.
- A statewide, multi-modal transportation system that facilitates safe and efficient movement of people and goods, including sufficient transportation choices such as roads, freight, passenger rail (including high-speed), waterways, sea and inland ports, and air.
- The development of innovative technologies to provide new transit options.
- Incentives for the creation of transit- and transportation node-focused community development plans, to ensure that the Texas workforce can get from places of employment to housing that is affordable.
- Local option transportation funding sources, in addition to state funding, which may include toll roads.

## Our association supports the following:

The Texas Transportation Commission and Texas Department of Transportation should ensure accountability, transparency, and public involvement in the transportation-planning process.

A statewide, multi-modal transportation system that facilitates safe and efficient movement of people and goods, including sufficient transportation choices such as roads, freight, passenger rail (including high-speed), waterways, sea and inland ports, and air.

The development of innovative technologies to provide new transit options.

Incentives for the creation of transit- and transportation node-focused community development plans, to ensure that the Texas workforce can get from places of employment to housing that is affordable.

Local option transportation funding sources, in addition to state funding, which may include toll roads.

## Legislative outlook

We expect to see a number of transportation-funding bills filed, including proposals to send proceeds from the motor vehicle sales tax to the State Highway Fund, increase the annual registration fee and gas tax, and apply a vehicle-miles-traveled surcharge to balance the impact of electric vehicles.

## Historical perspective

While various financing options have been proposed and a few passed in recent sessions, the state gasoline tax has not been raised from its current 20 cents per gallon since 1991. The result of this is a decrease in the tax's purchasing power.

In 2014, Texas voters passed a Texas constitutional amendment (Proposition 1) with an overwhelming 80%, signaling to lawmakers that funding for transportation is an important issue and must be addressed.

In 2015, the 84<sup>th</sup> Texas Legislature ended diversions from the Texas Highway Fund, decreasing bond debt, and allocating motor vehicle sales taxes to the state highway fund (House Bill 1), and ended diversions from the Texas Highway Fund and prioritized future TxDOT projects based on safety, maintenance, and congestion (House Bill 20).

In addition, in 2015 voters approved Proposition 7, a constitutional amendment authorized by SJR 5 to dedicate \$2.5 billion of sales tax revenue and 35% of motor vehicle sales taxes to the Texas Highway Fund when revenue milestones are met.



## Infrastructure: Water

### Issue

Drought, boil notices, flooding, and other events in the last several years have raised awareness for the need to improve water infrastructure throughout the state of Texas. In 2021, millions of Texans lacked access to clean water as freezing temperatures broke water mains and dropping water system pressure led to potential contamination. Hurricane Harvey's devastating impact on the Greater Gulf Coast in 2017 also brought to light many of our state's failing infrastructure needs. Furthermore, Texas has seen unprecedented flooding across all regions in recent years, including West Texas, the Panhandle, and the Hill Country.

Water infrastructure updates are overdue throughout the state, and failure to address those issues could negatively impact our water supply.

### What does this mean for the real estate industry?

The Texas Water Development Board reminds us that "anywhere it rains in Texas, it can flood," and estimates that flooding on both the coast and near inland waterways is expected to cause more than \$6.87 billion in property damage over the next five years. <sup>1</sup>

Property owners need assurances that they are as safe as possible from floodwaters. And if disaster does hit, property owners need efficient and affordable insurance and access to contractors and other skilled workers.

Landowners must also be able to rely on secure private-property rights to ensure water availability as the state works on management plans and conservation goals.

A report from the Governor's Commission to Rebuild Texas, appointed by Gov. Greg Abbott to document Hurricane Harvey's effect on Texas and make recommendations for future preparedness, determined that Hurricane Harvey damaged or destroyed more than 200,000 structures. Many property owners faced challenges when rebuilding, such as lack of insurance affecting their ability to secure financing, worker shortages, and inconsistent or confusing regulations. <sup>2</sup>

## The Texas REALTOR® position

Our association supports the development and implementation of a broad range of flood mitigation technologies, such as flood warning systems, improved levies, and innovation in construction techniques.

We also support critical examinations of how our water sources are governed and accessed. This respects the geological aspects of watersheds and other waterways that are not necessarily limited by political boundaries and provides for adequate regional planning.

Confidence in our water supply is critical for the wellbeing of Texans, their communities, and businesses. Texas REALTORS® recognize that our existing infrastructure is aging, and we support timely investment in those systems to prevent failures that could harm residents and businesses. The association also supports exploration of innovative technologies to ensure that current and future Texans have consistent access to clean water services.

## Legislative outlook

In 2023, legislators will consider legislation that will increase access to water resources in time of drought. Discussions regarding funding, including use of the Rainy Day Fund, have been in progress since Harvey hit in August 2017.

Going a step further, lawmakers will have significant interest in legislation that will help update our aging infrastructure and do what is possible to mitigate future flood damage.

With that comes the prioritization of clear and consistent water rights, including streamlined permitting and amendment process for water projects that are handled by the Texas Commission on Environmental Quality.

While the 2021 federal Infrastructure Investment and Jobs Act provides Texas with a substantial sum over the next five years, that amount will not solve every problem. Towards that end, the Legislature may want to consider funding other state programs or even establish a new fund to address the water access needs within small, rural and disadvantaged communities.

Another opportunity relates to planning. We know generally that we have significant water access needs. But data gaps exist regarding the magnitude of those needs. An opportunity may exist here to measure and evaluate the magnitude of our water access needs in order to strategically target our financial assistance resources.

## Historical perspective

In November 2013, Texas voters approved Proposition 6 by a 3:1 margin. This constitutional amendment authorized the transfer of \$2 billion to the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT). These funds enable cities, counties, and water districts to apply for low-interest loans for water projects that align with the state water plan. The following year, TWDB approved rules that opened the door for those local entities to begin accessing those dollars.

After Hurricane Harvey, the Texas Water Development Board released a *State Flood Assessment* for the 86<sup>th</sup> Texas Legislature in 2018. That report estimated the state needs up to \$36 billion for flood mitigation and proposed strategies to prepare for future floods, such as improved flood modeling and mapping and coordinated watershed-based planning. The report pointed out that Texas has never conducted a statewide assessment of flood risks and needs. The 86<sup>th</sup> Texas Legislature expanded the TWD's role in flood planning and authorized the agency to administer a new state and regional flood planning process based on river basins. The first regional flood plans will be due during the 88<sup>th</sup> Texas Legislature and the first state flood plan will be due in 2024.<sup>3</sup>

1 *State Flood Assessment*, Report to the 86<sup>th</sup> Texas Legislature, Texas Water Development Board, January 2019.

2 *Eye of the Storm*, The Governor's Commission to Rebuild Texas, November, 2018. [https://gov.texas.gov/uploads/files/press/rebuildtexashurricaneharveyeyeofthestorm\\_12132018.pdf](https://gov.texas.gov/uploads/files/press/rebuildtexashurricaneharveyeyeofthestorm_12132018.pdf)

3 *Flood Planning*, Texas Water Development Board. <https://www.twdb.texas.gov/flood/planning/index.asp>



# Irrigation Districts

## Issue

Irrigation districts were created to deliver untreated water throughout their jurisdictions for irrigation and to provide drainage. These districts are governed by elected boards of directors and have the power to levy and collect taxes, borrow money, and have eminent domain powers. They are self-governing sub-divisions of the state government; however, irrigation districts can only be formed with the consent of landowners within the area and legislative approval.

## What does this mean for the real estate industry?

These districts are created and dissolved with the consent of property owners; however, as property is sold, transparency problems can arise in the transfer, which can negatively affect real estate transactions.

## Texas REALTORS® position

Texas REALTORS® believes that property owners and potential buyers should be able to access all relevant and public information related to easements and other encumbrances by governmental or private entities on their property. We support strengthening provisions pertaining to the recording of irrigation districts' encumbrances on real property by ensuring such information is recorded with the County Clerk in which the property is located.

## Legislative outlook

The Legislature is likely to examine a full spectrum of proposals that relate to the authority of political subdivisions, including special entities such as irrigation districts. While the creation of such districts has typically been seen as a localized issue, interplay between state and local governing bodies will be under increased scrutiny. Thus, there may be a good opportunity to include consumer-friendly reforms of these special districts that further protect property rights in the upcoming legislative session.

## Historical perspective

The Texas Legislature first authorized the creation of irrigation districts in 1905. The law was then replaced in 1913 by a new irrigation act providing that districts could be established by a county election. Since the original statute was replaced in 1913, legislators have detailed the required process to gain public consent to form an irrigation district, with the most comprehensive statute restructure taking place in 1977.

# Model Subdivisions

## Issue

Our state faces a unique situation related to certain residential communities near Texas' international border with Mexico. These communities—known as “colonias”—lack basic infrastructure such as water, wastewater, and paved roads.

All Texas counties within 50 miles of the border are subject to “Model Subdivision Laws” that intend to assure infrastructure exists for new residential developments. However, existing state law effectively makes many of these properties unsalable, yet property owners are taxed for ad valorem purposes on the property's full value.

The Texas Government Code prohibits selling, offering for sale, or even advertising a property for sale unless it is properly subdivided under the Model Subdivision Rules. This portion of the law applies only to areas along the border, and both sellers and their representatives (such as REALTORS®) may be hit with significant fines for advertising or offering such a property for sale.

The Texas Water Development Board has rules to assure water and sewer services in these areas and provides training for local officials about these areas; however, enforcement resides with the Attorney General's office.

## What does this mean for the real estate industry?

“Model subdivision laws” were put into place to address important infrastructure and health and safety issues; however, the practical effect is that these properties become virtually unsalable, which in turn sets their market value at zero.

This circumstance results in unfair and unjustified ad valorem taxation on property owners and negatively impacts the ability of property owners to freely sell or transfer ownership of this property. These laws are also unequal, being strictly applied only to properties based on their geographic location instead of being a universal standard for all property within the state.

## Texas REALTORS® position

Texas REALTORS® understands the need to ensure that inhabited real property has adequate utility connections, such as electricity, sewer, and water. However, the Model Subdivision laws that are applicable only to land in a county within 50 miles of an international border have unfortunately created an unequal standard for those properties as compared to real property elsewhere in Texas, which infringes upon the ability and rights of property owners to sell or transfer that property.

Texas REALTORS® believes real property should be subject to uniform standards for development throughout the state. As such, our association supports full repeal of the Model Subdivision laws applicable to land within 50 miles of an international border.

Barring a full repeal of these laws, Texas REALTORS® supports modifications to the existing Model Subdivision standards to allow real property in a county within 50 miles of an international border to be legally transferred without fines or other penalty or fear of retribution, while still upholding the need to ensure such property has adequate utility connections for habitability. Modifications may include: Allow buyers to assume the responsibility of establishing utility connections, including septic tanks where appropriate, within a certain timeframe after purchase; Allow transfers made to certain family members, such as from parent to child or among siblings.

Further, property that is not saleable due to government restriction should be deemed to have no value for property tax purposes. Therefore, Texas REALTORS® supports legislation that states if a parcel of real property, subject to Model Subdivisions Laws and located in a county within 50 miles of an international border, is not improved and therefore is not marketable or saleable due to existing state or local regulations, then any appraised market value shall be fully exempted for ad valorem tax purposes only. This exemption does not necessarily indicate the property is valueless when being assessed for public or private taking or other real property transfer.

## Legislative outlook

We expect to see legislation addressing these issues as the Texas Legislature continues to focus on reducing property tax burdens and increasing available housing supply across the state.

## Historical perspective

In 1989, colonias-prevention rules were first mandated by legislation known as the Economically Distressed Areas Program. The model rules were initially required to be adopted and enforced just by counties and cities seeking EDAP funding, but now they must be enforced by all counties within 50 miles of the border.

The rules were revised effective in February 2000 and codified in the Texas Administrative Code.

# PACE Lending

## Issue

Property Assessed Clean Energy (PACE) loans were created to help property owners finance energy efficient upgrades for their homes. However, this type of borrowing sets up a lien against the property, one that typically takes precedence over the mortgage lenders. And because the PACE lien is generally in first position—meaning, in front of your mortgage lender—you risk foreclosure even if you make your regular mortgage payments as agreed. Texas REALTORS® have found that this type of loan complicates property transfers and increases risk of foreclosure due to such loans being secured by your home.

Homes with a PACE lien are not eligible for a mortgage financed by Fannie Mae, Freddie Mac, or the Federal Home Loan Banks. That could make it impossible to sell the property to someone whose mortgage was obtained through a federal lending program.<sup>1</sup>

## What does this mean for the real estate industry?

Texas REALTORS® support homeowners adding value to their homes through energy efficient investments. However, the association is wary of lending programs that practice misleading marketing that could place a borrower in a financial pinch, and lead to foreclosure.

## The Texas REALTOR® position

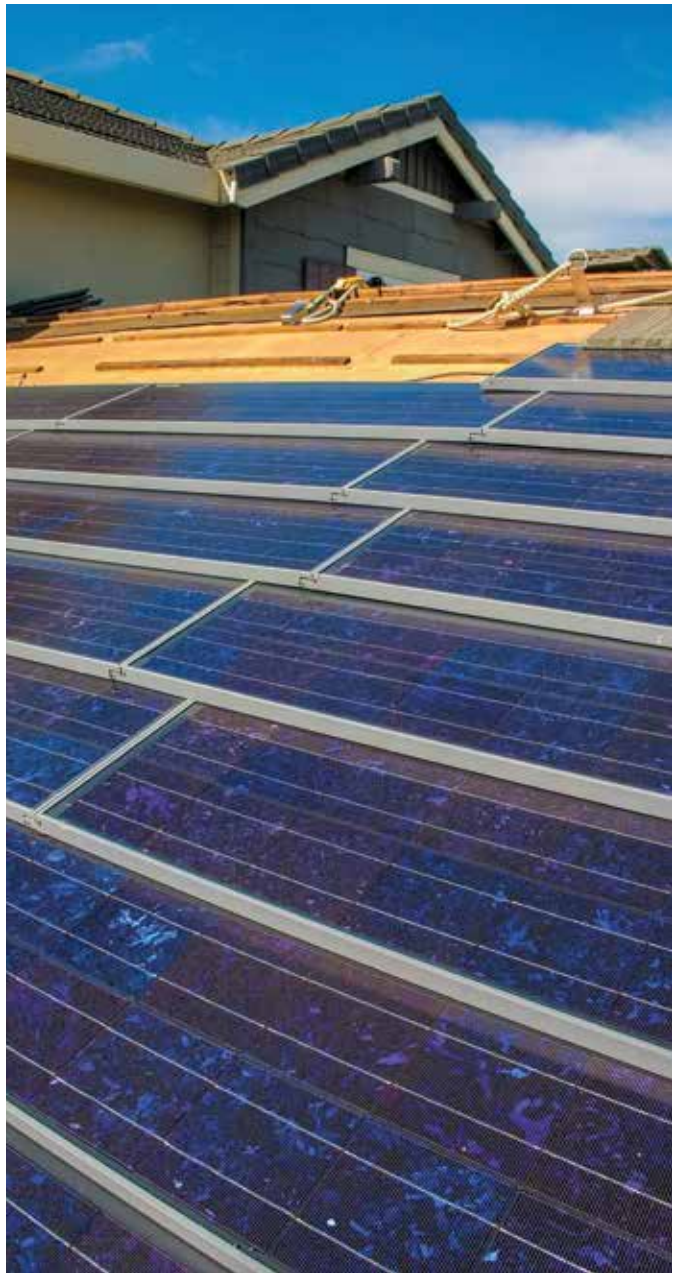
Texas REALTORS® opposes the expansion of the Property Assessed Clean Energy lending programs beyond what is currently allowed by Texas law.

## Legislative outlook

Expect bills to be filed that would make it easier for companies to market these loan products to homeowners. Conversely, legislation may be filed that would require Property Assessed Clean Energy (PACE) loan terms to be fully disclosed to borrowers.

## Historical perspective

Administered by the Texas Comptroller's State Energy Conservation Office (SECO), the Property Assessed Clean Energy (PACE) program provides low-cost, long-term financing for water and energy efficiency and conservation improvements to commercial and industrial properties, and intentionally excluded residential properties. In 2013, the Legislature passed



Senate Bill 385 (83R) allowing municipalities and counties to work with commercial lenders and property owners to pursue improvements using property assessments as a secure repayment mechanism.<sup>2</sup>

<sup>1</sup> "FHFA Statement on Certain Energy Retrofit Loan Programs," Federal Housing Finance Agency, September 6, 2010. <https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Statement-on-Certain-Energy-Retrofit-Loan-Programs.aspx>

<sup>2</sup> "Property Assessed Clean Energy," Texas Comptroller of Public Accounts. <https://comptroller.texas.gov/programs/seco/funding/pace.php>

# Property Taxes

## Issue

In 2019, REALTOR®-supported property tax reform legislation (Senate Bill 2, also known as the Texas Property Tax Reform and Transparency Act) brought monumental changes to the state's property tax system.

Local property taxes in Texas have increased dramatically over just the past few decades.

From 1998 to 2010, the total property tax levy statewide increased more than 253%—or \$48.23 billion—according to the latest data from the Texas Comptroller available as of December 1, 2020.<sup>1</sup>

Part of the increase in local property tax revenue can be attributed to new property added to the appraisal roll and higher property values. However, an increase in property value should not mean an automatic increase in property tax revenue.

If a local taxing entity needs more revenue, a more honest and transparent conversation needs to occur at the local level, so taxpayers completely understand why.

## What does this mean for the real estate industry?

Texas has been a dominant force in the national economy, and our relative housing affordability has been a contributing factor. But steep increases in property taxes threaten this affordability.

An April 2020 analysis of housing affordability trends in Texas found that "... housing in Texas is gradually becoming less affordable" and one reason may be "Texas' property taxes are very high compared to other states."<sup>2</sup>

Texans still need more clear information about how their properties are assessed for property tax purposes and how their local governments collect and spend those tax revenues.

The more Texas residents—owners and tenants alike—understand that process, the better they will be able to engage with decision-makers and ensure their voices are heard.

## Texas REALTORS® position

Texas REALTORS® supports the exploration and adoption of alternative revenue sources dedicated to lessening the reliance on property taxes without increasing the overall tax burden on Texas taxpayers.

Policymakers should be mindful that property taxes not only impact property owners, but also impact renters, and that property tax increases may disproportionately impact people of lower and fixed incomes. Careful consideration, along with

transparency and public input, should be given to any budgetary or policy change that requires funding through property tax revenue.

Texas REALTORS® supports continued monitoring of the implementation of law changes that resulted from passage of the Texas Property Tax Reform and Transparency Act of 2019, and a case-by-case evaluation of minor modifications to those statutes that may be deemed appropriate and necessary.

## Legislative outlook

Alleviating the burden of high property taxes is a perennial mission for lawmakers in Texas, which has among the highest property tax rates in the country. The anticipated budget surplus presents an opportunity for lawmakers to get creative with their approach to this issue. Some decision-makers may wish to seek one-time refund checks to property owners, or lawmakers might use the surplus to fund or help restructure the state's public school system—among the biggest expenses for property taxpayers.

Although monumental property tax transparency and reform legislation was passed in 2019, there is still substantial work that needs to be done to educate consumers on the local budget-setting processes that impact the bills they receive each year. Lawmakers may take up legislation that would further clarify the intent to inform taxpayers and increase taxpayer engagement in the property tax process.

## Historical perspective

In 2019, the Texas Legislature agreed that property tax reform is critical, passing The Texas Property Tax Reform and Transparency Act (Senate Bill 2).

The new law implements several measures that enhance transparency for taxpayers by providing more information about how tax rates are set and how to engage in the rate-setting process that determines your property tax bill.

<sup>1</sup>Biennial Property Tax Report for 2018 and 2019, Texas Comptroller of Public Accounts, <https://comptroller.texas.gov/taxes/property-tax/reports/>

<sup>2</sup>"Can Texas afford to lose its housing affordability advantage?" Kinder Institute for Urban Research at Rice University, April 14, 2020. <https://kinder.rice.edu/urbanedge/can-texas-afford-lose-its-housing-affordability-advantage>





# Real Estate Wholesaling

## Issue

Wholesaling is a real estate investment strategy wherein an investor gets a property under contract and sells that contract to a third party who, after closing, usually does rehab work with the intention of selling the property at a profit, all within a short-term timeframe (usually a year or less). Investors aim to sell the rights of that contract to buyers at a higher price and pocket the difference. However, this practice comes with risk for all participants, especially in the residential market.

## What does this mean for the real estate industry?

Wholesaling represents one of numerous strategies for REALTORS® to generate income, but when practiced unethically or irresponsibly it can be harmful to consumers. Protecting consumer interests is in the best interest of the real estate industry and protects the reputation of REALTORS®.

## The Texas REALTOR® position

Wholesaling poses potential risk to consumers in real estate transactions. Therefore, Texas REALTORS® supports appropriate and timely disclosure to all parties involved in a real estate wholesale transaction.

## Legislative outlook

Introduced legislation may clarify or consolidate existing codes relating to wholesaling. The intent will be to ensure both the seller and buyer understand they are entering into a wholesaling agreement rather than a traditional property sale, and to limit predatory practices.

## Historical perspective

Both the legislature and TREC have moved in recent years toward greater regulation of the business of wholesaling. In 2017, the legislature approved a disclosure requirement notifying buyers they would be entering into a wholesaling agreement.

# Residential Leasing

## Issue

A healthy supply of residential properties available for lease helps make homeownership attainable for first-time buyers and provides an additional stream of revenue for property owners struggling to keep up with the rising cost of property taxes.

However, some municipalities and hyperlocal groups like property owners' associations are attempting to limit residential leasing by limiting and/or regulating rental housing, including costly licensing and permitting processes, invasive registration and inspection requirements, or even the outright ban of certain types of rental housing. Municipalities purport to be limiting residential leasing because neighbors claim renters are noisy and disruptive. However, in reality most renters, whether short- or long-term occupants, are respectful neighbors, and rental housing provides significant revenue sources for both municipalities and property owners.

In recent years, the issue of short-term residential leasing has become particularly contentious, both at the local and state levels. Some groups are interested in severely curtailing property owners' ability to lease their residences on a short-term basis – though what constitutes “short-term” is often up for debate! The practice of leasing a room or whole property on a short-term basis has existed for hundreds of years, to great benefit of the property owner and the tenant alike. Further, short-term tenants provide significant economic benefit to communities by way of job creation, and property and sales taxes.

## What does this mean for the real estate industry?

The right to rent is considered a fundamental element of the bundle of property rights a homeowner can count on when purchasing real property. Residential leasing is an opportunity for investment in the real estate industry. This practice also increases the accessibility of housing, which can later lead to homeownership.

## The Texas REALTOR® position

Texas REALTORS® believes the right to rent is a fundamental part of the property rights bundle, and that municipalities should not limit property owners' ability to lease their properties, regardless of lease term.

Further, Texas REALTORS® support legislation declaring that a municipality may not adopt or enforce a local law that expressly or effectively prohibits the use of a property as a short-term rental. These ordinances infringe on a property owner's ability to rent their property without government intrusion. In addition,



they are often duplicative, ineffective, and intrusive to owners and tenants of rental properties.

Texas REALTORS® believe cities should use the tools already at their disposal to combat nuisance properties and bad actors, and to protect the health and safety of tenants, property owners, and community members.

## Legislative outlook

There is some renewed interest in filing legislation to address the regulation of short-term residential leasing. Bills may seek to either pre-empt local regulatory authority or to limit property owner rights to lease. Further, we could see legislation filed in response to local action taken on residential leasing during the COVID-19 pandemic related to the landlord-tenant contract and eviction proceedings.

## Historical perspective

There are no statewide short term rental rules and regulations in Texas. The state has largely left regulation of the vacation rental industry up to local county and city authorities.

Several court decisions have sided in favor of the ability of property owners to rent their homes for any ‘residential purposes’ in select jurisdictions, however, no such protection exists statewide.<sup>2</sup>

<sup>1</sup> “Research Roundup – Summer 2022,” Travel Texas. <https://gov.texas.gov/uploads/files/travel-texas/ResearchRoundupSummer2022.pdf>

<sup>2</sup> “Texas Supreme Court sides with short-term renters, likely bolstering state’s fight against Austin’s ordinance,” The Texas Tribune, May 25, 2018. <https://www.texastribune.org/2018/05/25/airbnb-homeaway-texas-supreme-court-ken-paxton-austin-ordinance/>

# Sales-Price Disclosure

## Issue

Some appraisal districts, cities, and counties argue for full disclosure of all real estate sales prices to establish the value of real property in Texas.

There are numerous problems with basing value, especially taxable value, on the sales price of real property. For example, many of the state's 254 central appraisal districts (CADs) do not consider seller concessions, which can lead to artificially high tax-appraisal values in the year-of-purchase and beyond.

There is also a problem with subdivisions that feature unequally sized lots or custom-built homes. Another issue concerns farm and ranch properties where improvements like trade fixtures and livestock are included in the sales price.

Additional difficulties arise with commercial properties, which may include a business and/or trade fixtures, value of long-term leases and intellectual property, and properties where mineral rights are included or excluded from the sale.

## What does this mean for the real estate industry?

Mandated public disclosure of real property sales prices has long been considered an unnecessary invasion into Texans' private information. Additionally, many transactions are complex and sales prices may include elements that go beyond the base price of the real property - this can lead to misinterpretation of the real meaning of "sales price."

Finally, many proposals to mandate sales price disclosure misunderstand the nature of and information contained within a privately held multiple listing service, and seek to improperly put liability for disclosure on real estate licensees or MLSs.

## The Texas REALTOR® position

Texas REALTORS® opposes any mandate to publicly disclose real estate sales prices. Our association also opposes the involuntary use of real estate sales prices to directly assess individual real property taxes.

Texas REALTORS® has a duty to protect the confidential data of our members and their clients, and therefore opposes any legislative attempts to force public or government access into proprietary multiple listing services.

## Legislative outlook

Central appraisal districts and local taxing entities may seek full sales-price disclosure of all real estate transactions in Texas. This includes residential, commercial, industrial, raw land, and farm and ranch.

The Texas Legislature has consistently stated expanding government intrusion into the private lives of Texans is not an option.

## Historical perspective

The appraisal process we know today was created by the Legislature in 1979 and was fully implemented in January 1982. Mandatory sales-price disclosure was part of the debate then and has been ever since. Prior to a central appraisal process, each local taxing jurisdiction valued real property separately. The city could have one value on their books while the county had a completely different value.

Since 1982, real property in Texas has been subject to a local property tax administered at the local-taxing-jurisdiction level. CADs are tasked with appraising real property for *ad valorem* taxation purposes. Many of these appraisal districts have called upon the Legislature to pass sales-price disclosure to enable districts to adequately appraise real property.

In 2006, Gov. Perry created the Texas Task Force on Appraisal Reform (TTFAR), and the final report stated, "Most appraisal districts do not have the internal capacity to analyze complex financial or commercial transactions."

During the 81<sup>st</sup> Texas Legislature in 2009, lawmakers passed comprehensive appraisal reform in the form of numerous bills aimed at reforming the process. Specifically, the Legislature passed House Bill 8, which enacted a Methods and Procedures Audit on all appraisal districts in Texas. The comptroller's office was tasked with implementing the bill and has completed the audits.

In 2009, the 81<sup>st</sup> Texas Legislature also passed (and voters approved) a constitutional amendment which allows for uniform appraisal standards to be used in all appraisal districts.

The Texas Comptroller of Public Accounts, in the most recent report on appraisal districts and appraisals, stated that all real property in Texas is being valued at 99% of market value. Based on this official report, it can hardly be determined that real property appraisals in Texas are inaccurate.



# Sales Tax on Professional Services

## Issue

The State of Texas imposes a sales tax on retail sales, leases and rentals of most goods, and some taxable services. All local governmental entities have the option of imposing an additional local sales tax for a maximum combined state and local tax of 8.25%.

During past legislative sessions, some discussion has concentrated on expanding the state sales tax base to include professional services. All professional services, including real estate services, would be taxed.

## What does this mean for the real estate industry?

According to the Real Estate Center at Texas A&M University, the average home sale in Texas in November 2021 was \$330,000, which would mean, depending on concessions, commission rate, and local options—the tax could add well over \$23,000 due at closing.

## The Texas REALTOR® position

Our association steadfastly opposes efforts to expand the sales tax base to include professional services. Furthermore, the association believes any taxing structure should not place an undue burden on the real estate industry or hamper the Texas economy.

## Legislative outlook

Legislation is routinely filed that would expand the state's sales tax base to include real estate services, but the legislature has historically declined to consider those bills.

## Historical perspective

Studies from the National Association of REALTORS®, the Real Estate Center at Texas A&M, and other industry think-tanks confirm that adding a tax on real estate services would have a detrimental effect on the housing industry—one study indicates an overall 3% drop in the real estate market.

# Sales Tax on Real Estate Transactions

## Issue

The State of Texas imposes a sales tax on leases and rentals of most goods, retail sales, and some services. All local governmental entities have the option of imposing an additional local sales tax for a maximum combined state and local tax of 8.25%.

Under the guise of property-tax relief, there are groups proposing a restructuring of the state and local taxing system. Their proposal includes eliminating (or greatly reducing) property tax and replacing lost revenue with an expanded sales tax that would include a dramatic increase in the sales-tax rate and an expansion of the tax base to include the sale and lease of real property.

Other entities seek to add a transfer tax to real estate transactions.

## What does this mean for the real estate industry?

Any tax on real estate transactions would wreak havoc on the real estate market, a critical part of the Texas economy.

A sales tax on real estate would initially destroy the first-time homebuyer sector. But the problem would quickly extend throughout the entire real estate market. Without the first-time homebuyer component, existing homeowners would have a difficult time selling their property, which would preclude them from moving up.

## The Texas REALTOR® position

Texas REALTORS® has conducted exhaustive, multi-year studies on local property taxes and believes applying sales tax to real estate is a short-sighted and flawed approach to property tax relief. Reducing property taxes by adding a different tax onto the property does not achieve the true tax reform that our state's taxpayers deserve. Not only would adding real estate to the sales-tax base destroy the state's real estate economy, but it would also disproportionately affect lower- and middle-class Texans.

## Legislative outlook

Property taxes continue to be a burden on Texas property owners. The Texas Legislature will no doubt see many proposals seeking to reduce the property tax burden, including the elimination of local property taxes and replacement with an expanded and increased sales tax.

## Historical perspective

In 2015, 86% of voters approved statewide Proposition 1, which constitutionally banned transfer taxes on real estate transactions and provided a \$10,000 increase in the state-mandated homestead exemption. This overwhelming response is proof that Texans are demanding relief from burdensome property taxes.



# Special Districts Disclosure

## Issue

Special districts are independent, special-purpose governmental units that exist as separate entities with substantial administrative and fiscal independence from general-purpose local governments. They tend to serve areas that cross county and/or municipal boundaries to serve a single (or multiple) purpose(s). In Texas, thousands of special purpose districts provide a variety of services including water conservation, toll roads, hospitals, libraries, utilities, and fire control efforts. Depending on their purpose, these districts are supported by a property tax, sales tax or user fees, and may issue debt. <sup>1</sup>

Although many of Texas' special purpose districts post their budgets, annual reports and detailed spending information online, deciphering financial reports can still be a challenge. Additionally, it can sometimes be unclear which special districts a property falls within.

## What does this mean for the real estate industry?

Special districts can impact a property owner's tax bill, which is a consideration when weighing the decision to buy or sell a home. REALTORS® support transparent disclosure of special districts, including public improvement districts, to minimize surprises and streamline real estate transactions.

## The Texas REALTOR® position

Texas REALTORS® supports easily accessible and transparent data related to property taxes and special district assessments so that property buyers and sellers have the most up-to-date and relevant information they need before entering into real property contracts.

## Legislative outlook

Increasing transparency of special districts and their impact on property tax bills may be part of larger property tax reform bills in the upcoming legislative session.

## Historical perspective

In 2014, the Texas Senate Research Center updated a comprehensive explanation of special-purpose districts, including tables showing establishing authority, allowable purposes and financing mechanisms. <sup>2</sup>

<sup>1</sup> "Special Purpose Districts," Texas Comptroller of Public Accounts. <https://comptroller.texas.gov/transparency/local/special-purpose.php>

<sup>2</sup> "Invisible Government: Special Purpose Districts in Texas," Texas Senate Research Center, October 2014. [https://senate.texas.gov/assets/srcpub/Spotlight\\_Special\\_Purpose\\_Districts.pdf](https://senate.texas.gov/assets/srcpub/Spotlight_Special_Purpose_Districts.pdf)



# Texas Real Estate Commission

## Issue

Our association is committed to ensuring the highest standard of service by Texas real estate license holders. Each legislative session, the association helps update and modernize consumer-protection standards and the Texas Real Estate License Act, which allows for a more efficient system.

In 2018, the Texas Real Estate Commission underwent review by the Texas Sunset Commission. The Sunset Commission issued a report in October 2018 listing recommendations to improve the service TREC provides to license holders and consumers, and in 2019 the state legislature passed legislation to implement those recommendations.

## What does this mean for the real estate industry?

The Texas Real Estate Commission (TREC) licenses and regulates real estate brokers, salespersons, inspectors, and other related professionals. High standards for real estate professionals ensure the industry's continued success.

## The Texas REALTOR® position

Our association supports legislation that facilitates the administration of the commission and eliminates certain inefficient provisions in the law, when identified.

## Legislative outlook

Our association works closely with TREC to identify inefficient and outdated real estate law. We expect lawmakers to consider legislation to continue to closely monitor TREC and its operations for continued improvements, and to make statutory and procedural adjustments as deemed necessary.

## Historical perspective

In 2011, during the 82<sup>nd</sup> legislative session, lawmakers passed Senate Bill 1000 designating TREC as a self-directed, semi-independent state agency. This status meant TREC would no longer be subject to the legislative budget or appropriations process at the Legislature—instead, the agency conducts business using the licensing fees it collects. Also in 2011, Senate Bill 747 focused on better preparing license holders to represent consumers in real estate transactions and ensuring education for applicants and license holders is targeted and of the highest quality.

In 2013, House Bill 2911 amended the law to require real estate inspectors to have the same education and license-renewal requirements as the Texas Real Estate Commission's other license holders and addressed issues regarding errors and omissions insurance coverage and the real estate inspection recovery fund.

In 2015, Senate Bill 699 clarified TREC regulations, explained situations that would require license revocation, created procedures for actions brought against real estate brokers and sales agents, and amended the requirements for licenses, fees, and education.

In 2018, Sunset Commission staff evaluated TREC and made recommendations to the Sunset Advisory Commission. Those recommendations—requiring TREC to demonstrate improvements in customer service, technology systems, and financial oversight, and directing the Commission to undergo another Sunset review in six years rather than the standard 12—were approved in the subsequent 86th Texas Legislature.





# Title Insurance

## Issue

Title insurance is a unique insurance policy that protects the holder's ownership in real property – in most cases, your home. Unlike other policies, title insurance is a one-time fee policy which protects the owner from past errors related to ownership history. Title coverage is based on the careful research of past ownership records and is designed to address any overlooked or outstanding issues prior to your taking possession of your property.

There is a push by some groups calling for comprehensive reform to the title insurance industry in Texas, similar to states like California, New York, Massachusetts, and New Jersey.

## What does this mean for the real estate industry?

Texas property owners benefit greatly from having a stable and reliable title insurance industry with competitive rates, which, in fact, have dropped 15% over the last decade. Texas offers one of the most transparent and complete sets of coverage in the nation, with consistent rates applied evenly to all purchasers, residential and commercial alike.

## The Texas REALTOR® position

Our association supports the current title insurance consumer protections which ensure competitive rates and comprehensive coverages.

## Legislative outlook

A few bills may be filed relating to comprehensive reform of the title insurance industry. Just as in past legislative sessions, the Texas Legislature more than likely will not upend our state's stable title insurance market.

## Historical perspective

The Texas Department of Insurance (TDI) is charged with oversight of title insurance. When you purchase a title policy in Texas, you should know that the rates, terms, and coverages are set by TDI and all title professionals are legally bound to those requirements. Since title professionals do not compete on price or product, they instead compete on the quality of service provided.



# Governmental Affairs Contacts


## Tray Bates

Vice President of Governmental Affairs

Office: 512.370.2141

Mobile: 512.975.5091

tbates@texasrealtors.com

 @txrtraybates

## Julia Parenteau

Director of Public Policy

Office: 512.370.2102

Mobile: 512.751.2028

jparenteau@texasrealtors.com

 @juliaparenteau

## Brandon C. Alderete

Director of Political Affairs

Office: 512.370.2124

Mobile: 512.573.3664

balderete@texasrealtors.com

 @real\_bca

## Leslie Cantu

TREPAC Director

Office: 512.370.2117

Mobile: 512.789.3856

lcantu@texasrealtors.com

 @leslietcantu

## Dahlia Brown

Director of Field Operations

Mobile: 512.971.8335

dbrown@texasrealtors.com

## Seth Juergens

Public Policy Analyst

Office: 512.370.2173

Mobile: 512.541.8377

sjuergens@texasrealtors.com

## Ashlee Quick

Political Affairs Specialist

Office: 512.370.2103

Mobile: 512.589.1538

aquick@texasrealtors.com

## Morgan O'Hanlon


Advocacy Communications Manager

Office: 512.370.2152

Mobile: 512.574.8512

mohanlon@texasrealtors.com

 @mcohanlon

 @txrealtors

 @txrealtors\_ga



# TEXAS REALTORS<sup>®</sup>

1115 San Jacinto Blvd., Suite 200  
Austin, TX 78701-1906

512-480-8200  
[texasrealestate.com](http://texasrealestate.com)