

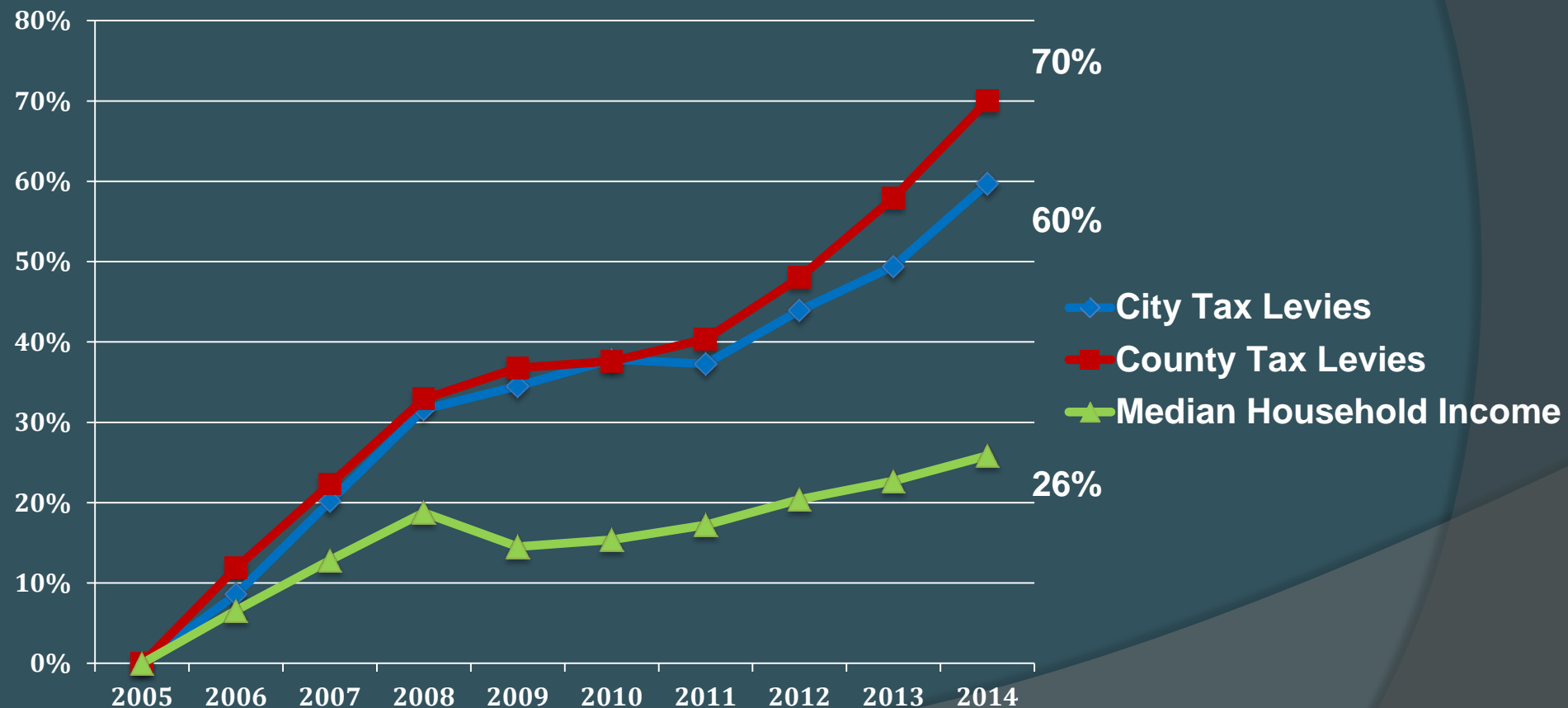
Senate Select Committee for Property Tax Reform & Relief



LOCAL TAXES VS. HOUSEHOLD INCOMES

Statewide

Since 2005, city and county property tax levies have increased much faster than median household incomes

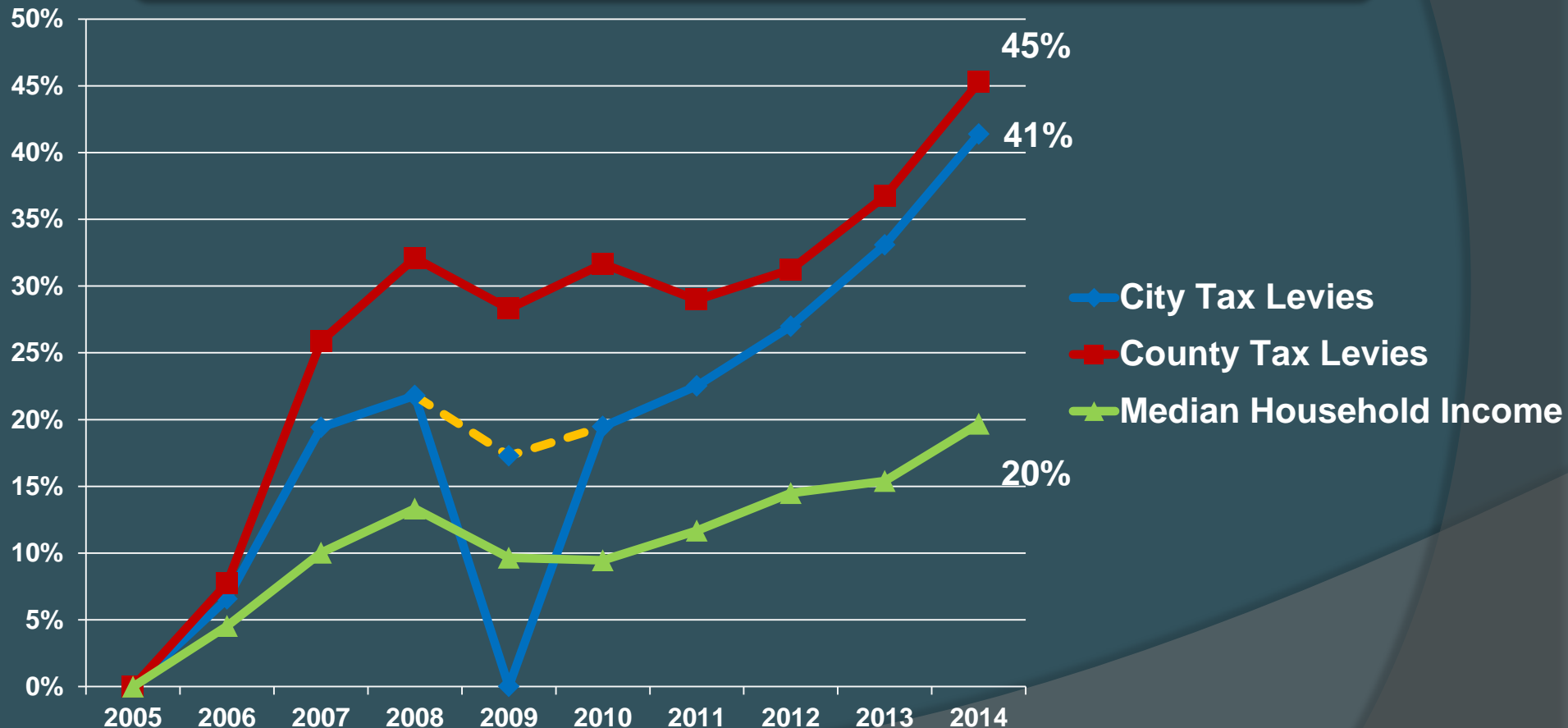


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

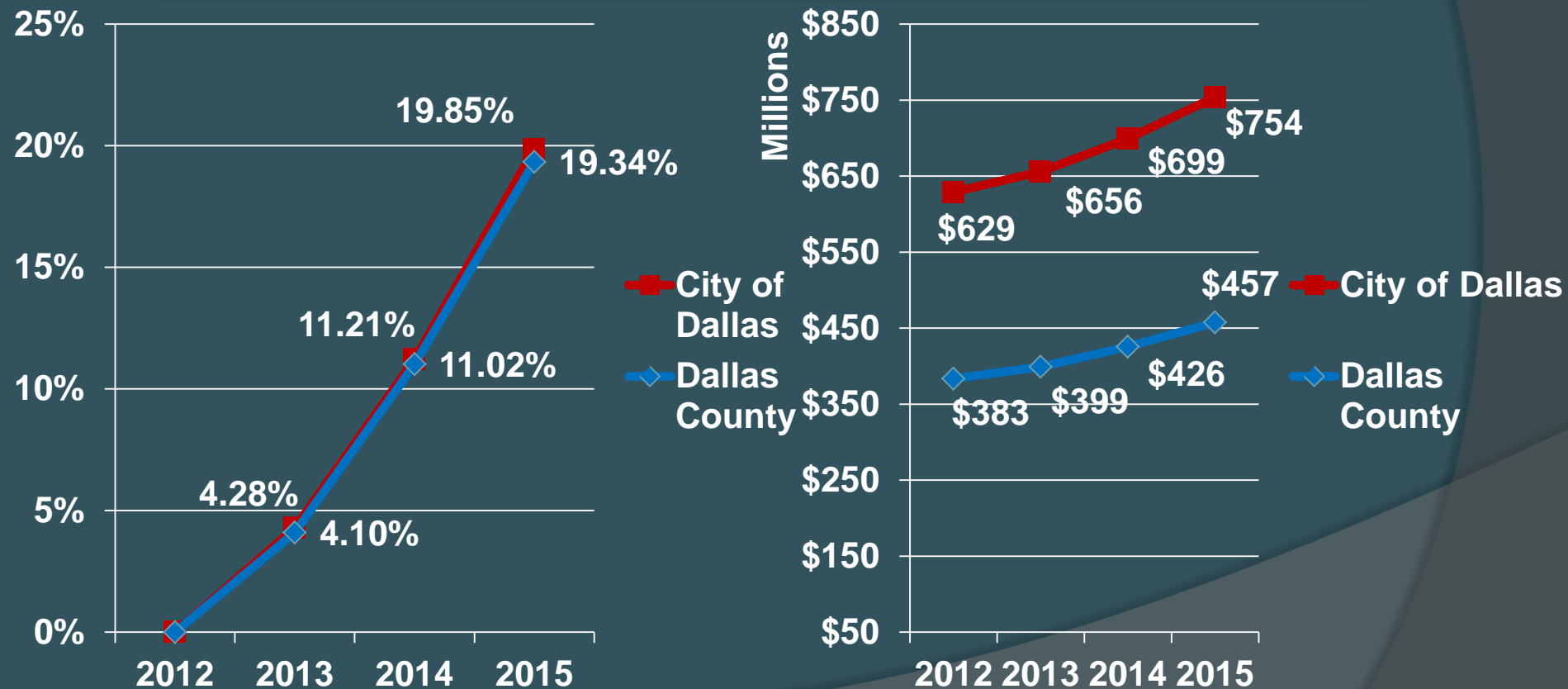
Dallas/ Dallas County

Since 2005, city and county property tax levies have increased much faster than median household incomes



Increases in Tax Levies 2012-2015 City of Dallas and Dallas County

Since 2012, the City of Dallas' property tax levy has increased almost 20% and Dallas County's property tax levy has increased just over 19%.

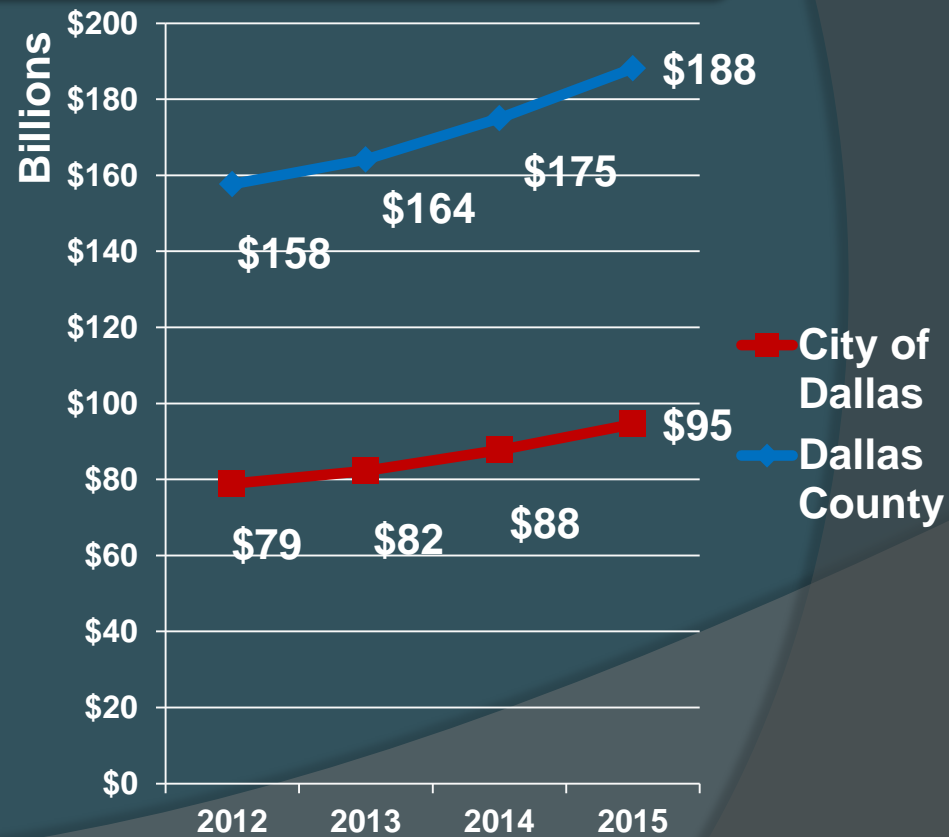
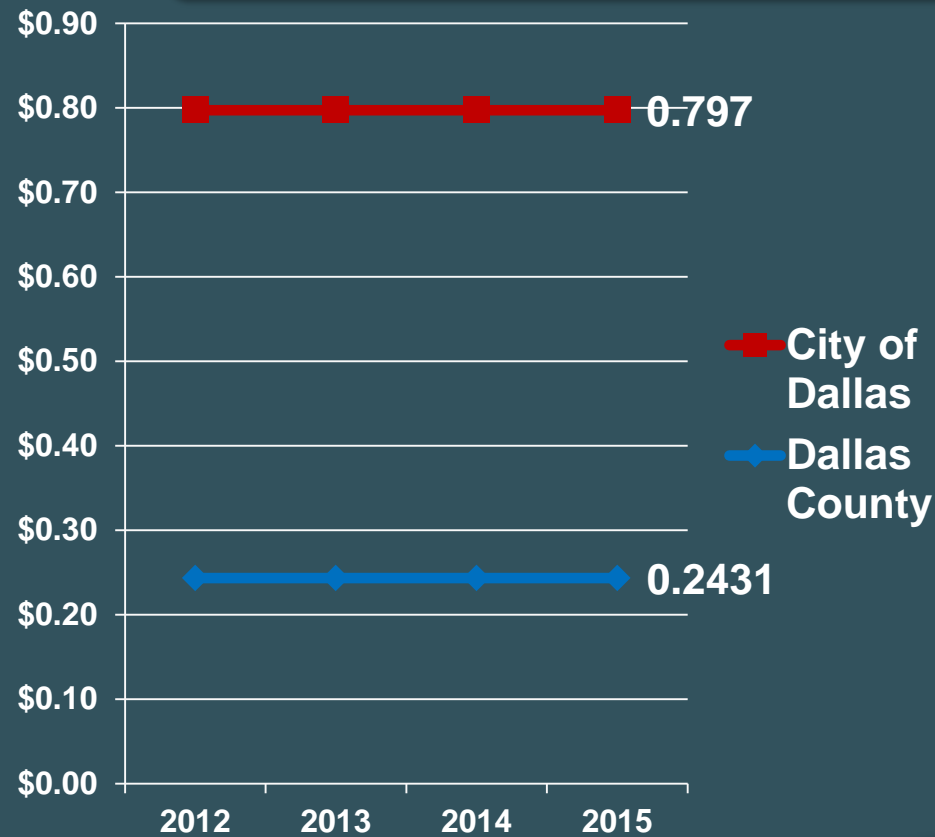


Source: Property value and tax rate data provided by Dallas Central Appraisal District; Tax levies calculated by committee staff using CAD data. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

Property Values and Tax Rates 2012-2015

City of Dallas and Dallas County

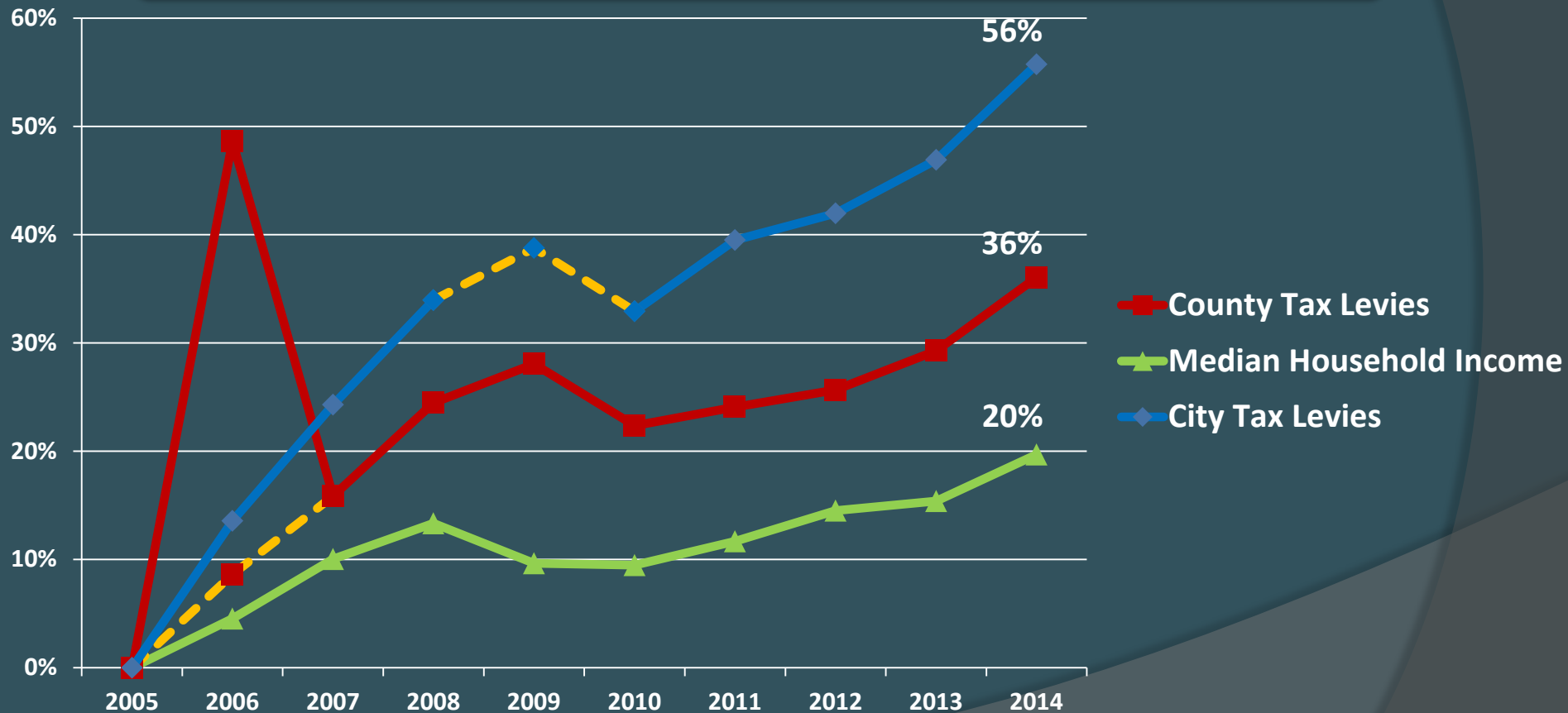
Since 2012, the City of Dallas' taxable property value has increased by \$16 billion and the taxable property value of Dallas' County had increased by \$30 billion, but their tax rates have remained unchanged.



LOCAL TAXES VS. HOUSEHOLD INCOMES

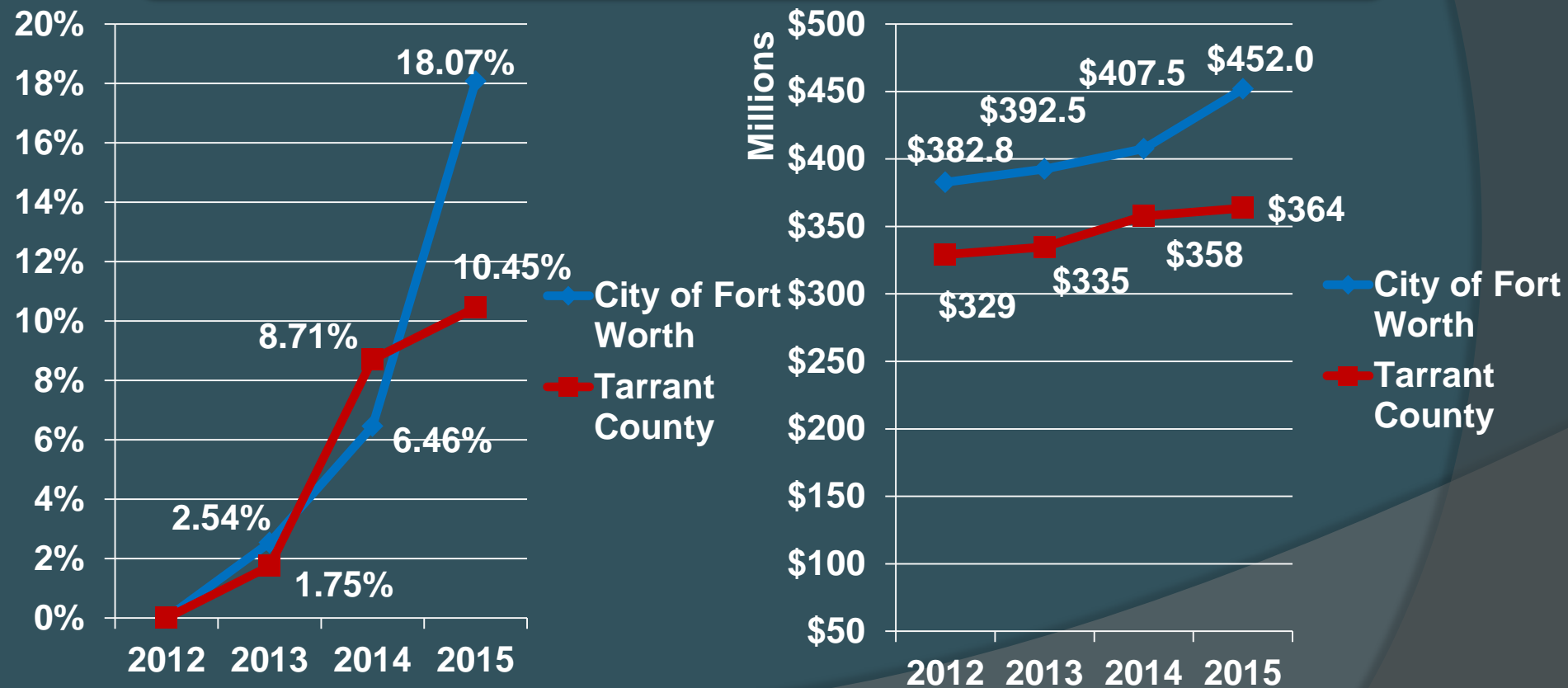
Fort Worth/ Tarrant County

Since 2005, city and county property tax levies have increased much faster than median household incomes



Increases in Tax Levies 2012-2015 City of Fort Worth and Tarrant County

Since 2012, the City of Fort Worth's property tax levy has increased 18% and Tarrant County's property tax levy has increased over 10%.

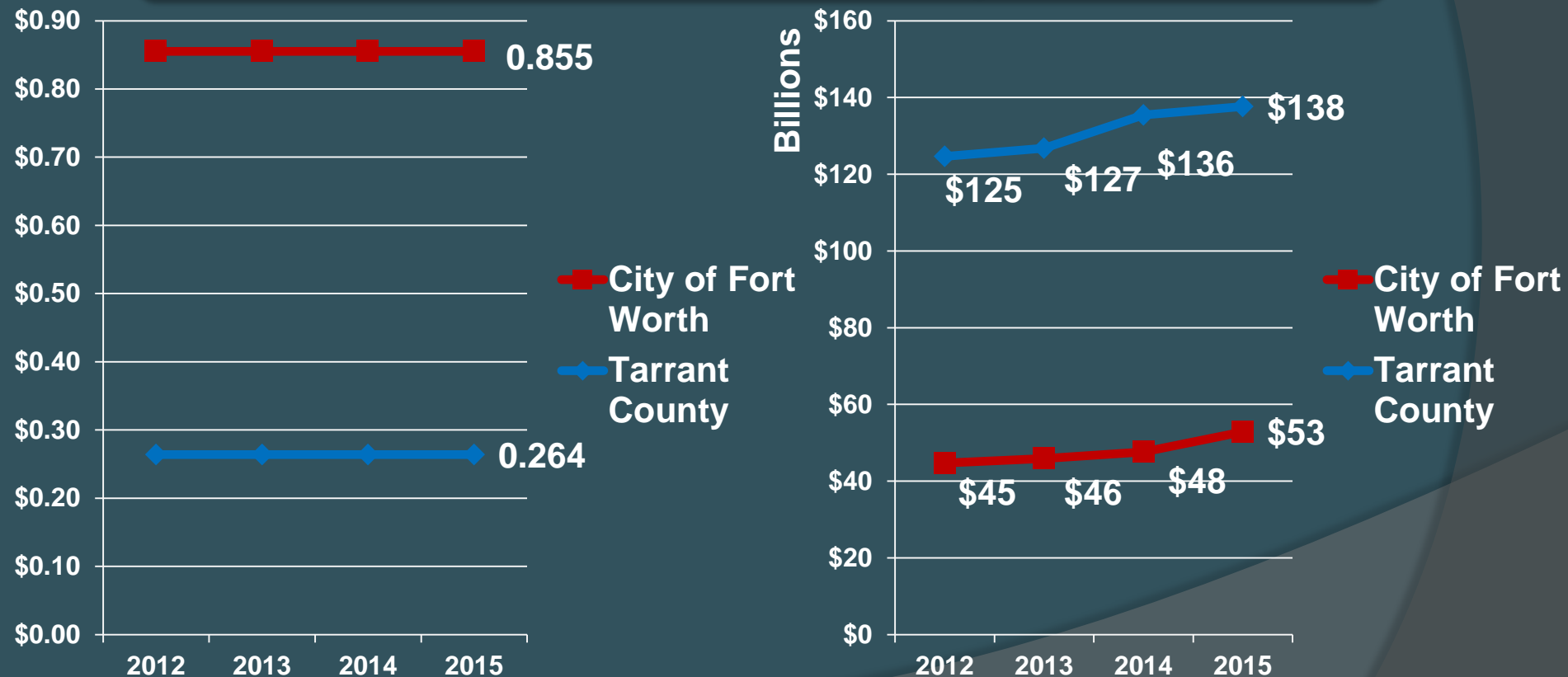


Source: Property value and tax rate data provided by Tarrant Appraisal District; Tax levies calculated by committee staff using CAD data. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

Property Values and Tax Rates 2012-2015

City of Fort Worth and Tarrant County

Since 2012, the City of Fort Worth's taxable property value has increased by \$8 billion and the taxable property value of Tarrant County had increased by \$13 billion, but their tax rates have remained unchanged.



City Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	City Taxes Levied	City Levy as a % of Total Levy	Annual % change in City Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$4,415,212,819	15.28%	5.46%	5.76%
2004	\$30,973,635,241	\$4,607,757,531	14.88%	4.36%	7.20%
2005	\$33,478,989,315	\$4,901,791,597	14.64%	6.38%	8.09%
2006	\$35,552,907,030	\$5,322,985,519	14.97%	8.59%	6.19%
2007	\$35,114,596,621	\$5,890,306,731	16.77%	10.66%	-1.23%
2008	\$38,979,969,545	\$6,451,012,447	16.55%	9.52%	11.01%
2009	\$40,034,355,798	\$6,593,755,037	16.47%	2.21%	2.70%
2010	\$40,275,451,155	\$6,755,401,406	16.77%	2.45%	0.60%
2011	\$40,515,816,942	\$6,810,049,306	16.81%	0.81%	0.60%
2012	\$42,748,637,566	\$7,069,533,905	16.54%	3.81%	5.51%
2013	\$45,266,928,108	\$7,324,521,932	16.18%	3.61%	5.89%
2014	\$49,067,216,670	\$7,789,068,440	15.87%	6.34%	8.40%
		<u>Percentage Change 2003-2014</u>		76.41%	

County Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	County Taxes Levied	County Levy as a % of Total Levy	Annual % change in County Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$4,121,758,950	14.27%	7.07%	5.76%
2004	\$30,973,635,241	\$4,462,844,074	14.41%	8.28%	7.20%
2005	\$33,478,989,315	\$4,772,652,208	14.26%	6.94%	8.09%
2006	\$35,552,907,030	\$5,339,613,542	15.02%	11.88%	6.19%
2007	\$35,114,596,621	\$5,836,989,949	16.62%	9.31%	-1.23%
2008	\$38,979,969,545	\$6,342,704,903	16.27%	8.66%	11.01%
2009	\$40,034,355,798	\$6,526,724,060	16.30%	2.90%	2.70%
2010	\$40,275,451,155	\$6,567,069,864	16.31%	0.62%	0.60%
2011	\$40,515,816,942	\$6,742,912,786	16.64%	2.68%	0.60%
2012	\$42,748,637,566	\$7,064,659,174	16.53%	4.77%	5.51%
2013	\$45,266,928,108	\$7,537,749,427	16.65%	6.70%	5.89%
2014	\$49,067,216,670	\$8,114,998,194	16.54%	7.66%	8.40%
		<u>Percentage Change 2003-2014</u>		96.88%	

Special District Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	Special District Taxes Levied	Special District Levy as a % of Total Levy	Annual % change in Special District Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$3,092,285,295	10.70%	7.95%	5.76%
2004	\$30,973,635,241	\$3,369,068,834	10.88%	8.95%	7.20%
2005	\$33,478,989,315	\$3,609,629,697	10.78%	7.14%	8.09%
2006	\$35,552,907,030	\$3,972,185,910	11.17%	10.04%	6.19%
2007	\$35,114,596,621	\$4,513,060,409	12.85%	13.62%	-1.23%
2008	\$38,979,969,545	\$4,952,734,969	12.71%	9.74%	11.01%
2009	\$40,034,355,798	\$5,133,820,497	12.82%	3.66%	2.70%
2010	\$40,275,451,155	\$5,392,511,510	13.39%	5.04%	0.60%
2011	\$40,515,816,942	\$4,926,074,010	12.16%	-8.65%	0.60%
2012	\$42,748,637,566	\$5,543,422,374	12.97%	12.53%	5.51%
2013	\$45,266,928,108	\$5,318,507,423	11.75%	-4.06%	5.89%
2014	\$49,067,216,670	\$6,370,469,864	12.98%	19.78%	8.40%
		<u>Percentage Change 2003-2014</u>		106.01%	

School Property Tax Levies, 2003 to 2014

Year	Total Property Taxes Levied	School Taxes Levied	School Levy as a % of Total Levy	Annual % change in School Levy	Annual % change In Total Levy
2003	\$28,893,411,036	\$17,264,153,972	59.75%	5.15%	5.76%
2004	\$30,973,635,241	\$18,533,964,802	59.84%	7.36%	7.20%
2005	\$33,478,989,315	\$20,194,915,813	60.32%	8.96%	8.09%
2006	\$35,552,907,030	\$20,918,122,059	58.84%	3.58%	6.19%
2007	\$35,114,596,621	\$18,874,239,532	53.75%	-9.77%	-1.23%
2008	\$38,979,969,545	\$21,233,517,226	54.47%	12.50%	11.01%
2009	\$40,034,355,798	\$21,780,056,204	54.40%	2.57%	2.70%
2010	\$40,275,451,155	\$21,558,289,126	53.53%	-1.02%	0.60%
2011	\$40,515,816,942	\$22,001,561,060	54.31%	2.06%	0.60%
2012	\$42,748,637,566	\$23,072,781,962	53.97%	4.87%	5.51%
2013	\$45,266,928,108	\$24,854,671,461	54.91%	7.72%	5.89%
2014	\$49,067,216,670	\$26,792,677,172	54.60%	7.80%	8.40%
		<u>Percentage Change 2003-2014</u>		55.19%	

How is your Property Tax Bill Calculated?

Appraised Value X Tax Rate = Tax Bill

If your property is appraised at \$200,000, and your tax rate is the statewide average of \$2.50 per \$100 of property value:

Then \$200,000 X \$2.50/\$100 = \$5,000

If your appraised value goes up by 10% to \$220,000 but the tax rate stays the same:

Then \$220,000 X \$2.50/\$100 = \$5,500

That's a \$500 or 10% increase in your taxes!

In order to keep your taxes from increasing if your appraised value goes up 10%, the tax rate needs to be cut by 12.5% to \$2.227:

Then \$220,000 X \$2.227 /\$100 = \$5,000

How does the Homestead Exemption affect your ISD Property Tax bill?

Appraised Value – Homestead exemption = Assessed Value

Then

Assessed Value X Tax Rate = ISD Tax Bill

If your home is appraised at \$200,000 and the Homestead Exemption for independent school district (ISD) taxes is \$25,000:

Then \$200,000 - \$25,000 = \$175,000 Assessed Value

With an Assessed Value of \$175,000 at the average independent school district (ISD) tax rate of \$1.25 per \$100 of property value:

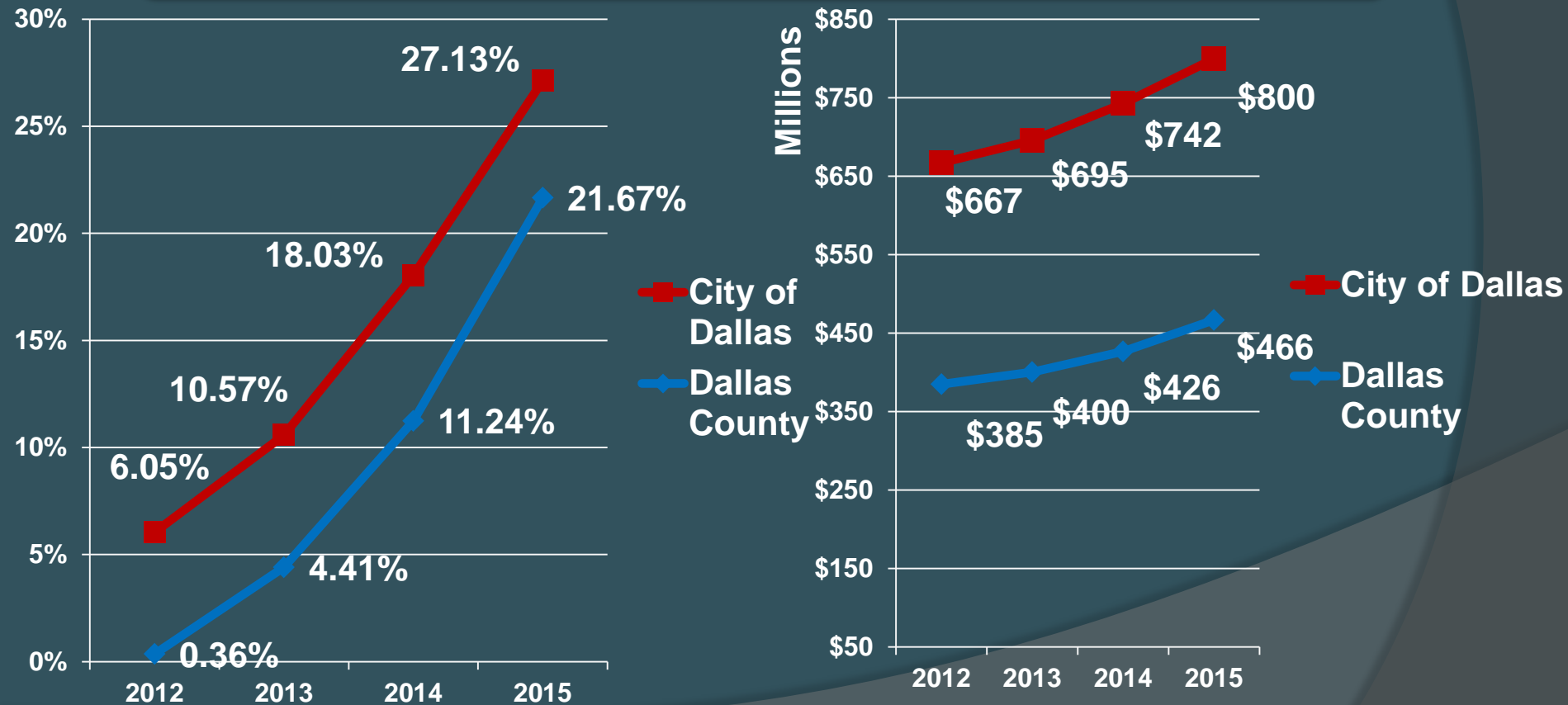
Then \$175,000 X \$1.25/\$100 = \$2,187 ISD Tax Bill

Without the Homestead exemption:

**\$200,000 X \$1.25/\$100 = \$2,500 School ISD Tax Bill, a \$313
difference**

Truth in Taxation: Increases in Tax Levies 2012-2015 City of Dallas and Dallas County

Since 2012, the City of Dallas' property tax levy has increased 27% and Dallas County's property tax levy has increased over 19%.



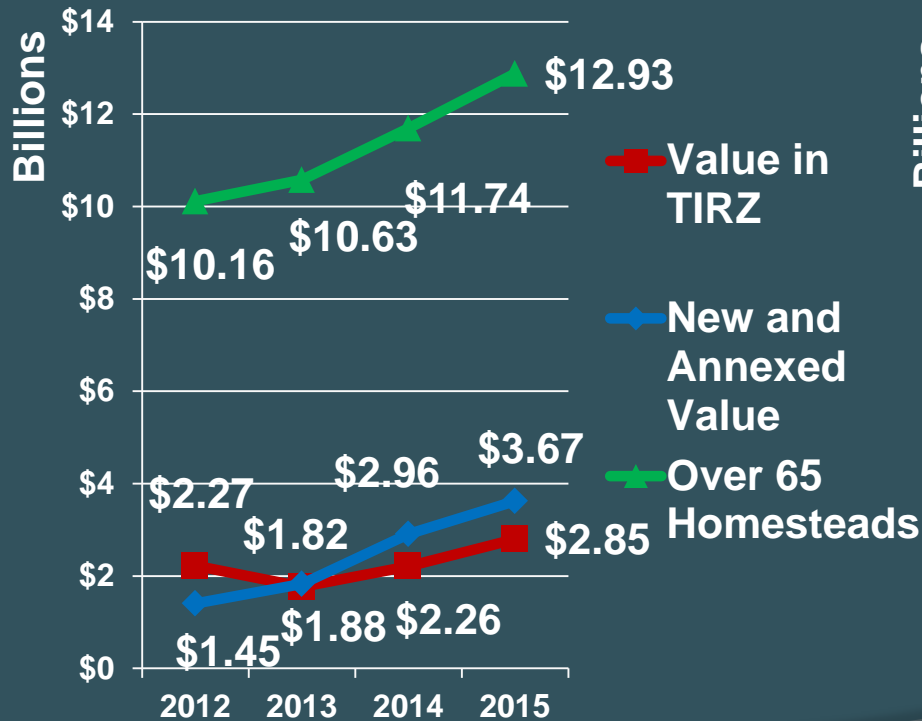
Source: Property value and tax rate data provided by Dallas County Tax Office from the Effective and Rollback Tax Rate Worksheets. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

Truth in Taxation: Property Excluded from the Rollback Calculation 2012-2015

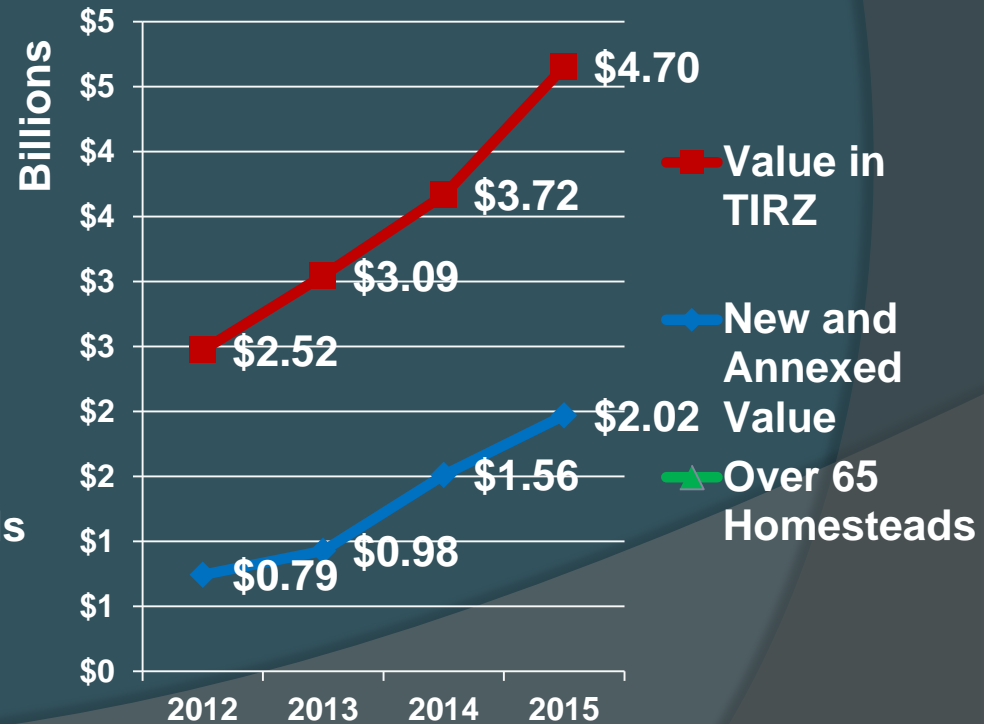
City of Dallas and Dallas County

When calculating their rollback and effective tax rates, taxing units are allowed to exclude the value of new property, property in reinvestment zones, and property with over 65 tax ceilings.

Dallas County



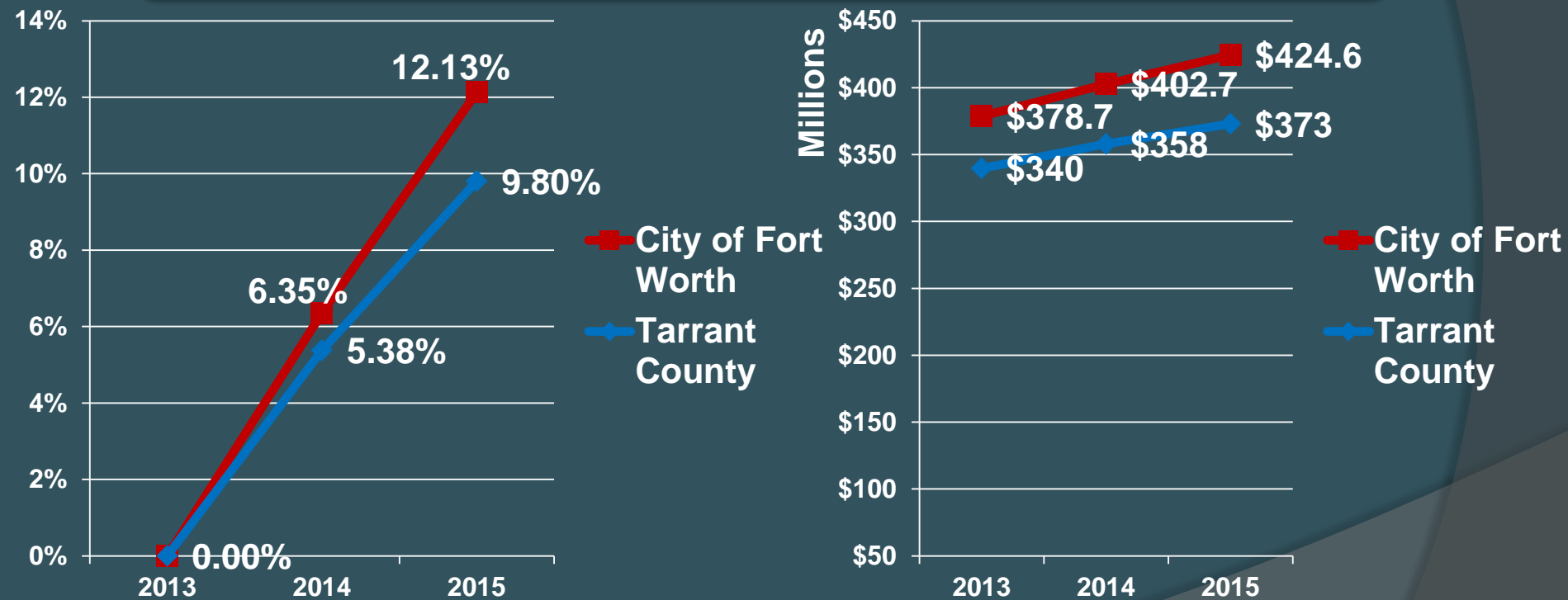
City of Dallas



Source: Property value and tax rate data provided by Dallas County Tax Office from the Effective and Rollback Tax Rate Worksheets. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

Truth in Taxation: Increases in Tax Levies 2012-2015 City of Fort Worth and Tarrant County

Since 2013, the City of Fort Worth's property tax levy has increased 18% and Tarrant County's property tax levy has increased over 10%.



Note: Data for 2012 not provided

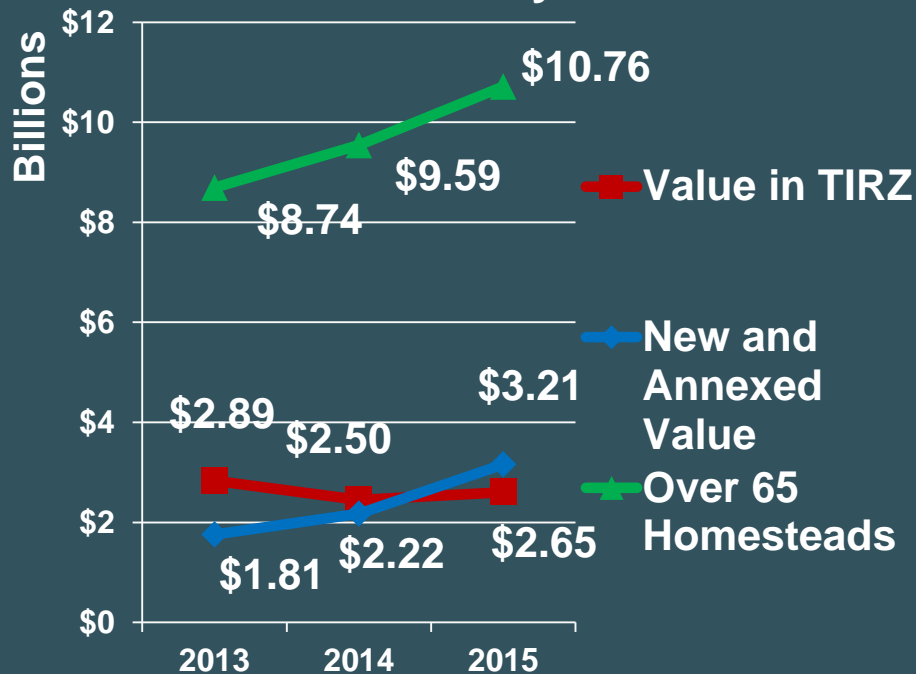
Source: Property value and tax rate data provided by Tarrant County Tax Office from the Effective and Rollback Tax Rate Worksheets. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

Truth in Taxation: Property Excluded from the Rollback Calculation 2012-2015

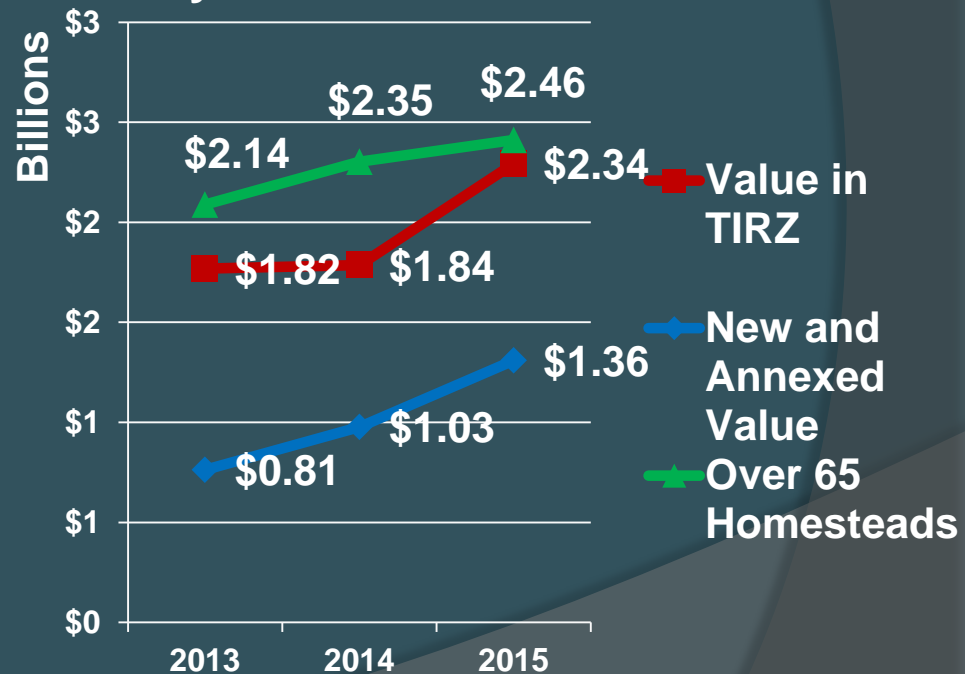
City of Fort Worth and Tarrant County

When calculating their rollback and effective tax rates, taxing units are allowed to exclude the value of new property, property in reinvestment zones, and property with over 65 tax ceilings.

Tarrant County



City of Fort Worth



Note: Data for 2012 not provided

Do taxpayers ever get a chance to vote on property tax rates?

For School Maintenance and Operations (M&O) Taxes?

Yes. Generally, if a school district wants to increase their tax rate above \$1.04, they are required to hold an election to get voter approval.

For Interest and Sinking (I&S) Taxes, which are used to repay bonds?

Yes. If a taxing unit wishes to issue bonds backed by property tax revenues, they are required to hold an election to get voter approval.

For City, County, and Special District Maintenance and Operations (M&O) Taxes?

No. If a taxing unit wants to increase their tax rate, they are **NOT** required to hold an election to get voter approval **UNLESS** they exceed the 8% rollback tax rate. Then voters may **PETITION** for a rollback election.

The Rollback rate for Cities, Counties, and Special districts allows tax revenues from existing properties to grow 8% each year. Tax revenue from new property is not counted, meaning the actual rate of revenue growth can be 12% or 13%.

The rollback process for non school taxes is difficult and expensive

For City, County, and Special District Maintenance and Operations Taxes

1. If the governing body of a taxing unit votes to increase their M&O tax rate above the 8% rollback tax rate, voters may petition to have a rollback election.
2. Taxpayers have 90 days to get either:
 - A. 7% of registered voters if the taxing unit collects at least \$5 million in M&O taxes
 - B. 10% of registered voters if the taxing unit collects less than \$5 million in M&O taxes
3. Within 20 days of the petition being submitted, the governing body of the taxing unit must determine if it is valid. If they do nothing the petition is considered to be valid.
4. If the petition is valid, a rollback election must be held within 30 to 90 days.
5. If the voters reject the increase, the M&O tax rate is reduced to the 8% rollback rate.

For School Maintenance and Operations Taxes

1. If a school board votes to increase the M&O tax rate, they must hold a tax ratification election in 30 to 90 days.
2. If the voters do not approve the increase, the school board may not adopt a tax rate that exceeds the district's rollback rate.

The rollback process for school taxes is simple and doesn't require taxpayers to spend their own money on a petition drive.

How many signatures does it take to get 7%?

- For taxing units with more than \$5 million per year in property tax revenues, 7% of registered voters must sign a petition to trigger a rollback election.
- Voters must submit the petition to the taxing unit's governing body within 90 days of the tax rate adoption

		Registered Voters	7% Petition Threshold
City	Dallas	629,420	44,059
County	Dallas	1,217,771	85,244

Source: Texas Secretary of State

Note: County totals are as of March 2016, City totals are unofficial

The automatic rollback process for school taxes is simple and doesn't require taxpayers to spend their own money on a petition drive. An election is required when tax rate increases exceed the rollback rate

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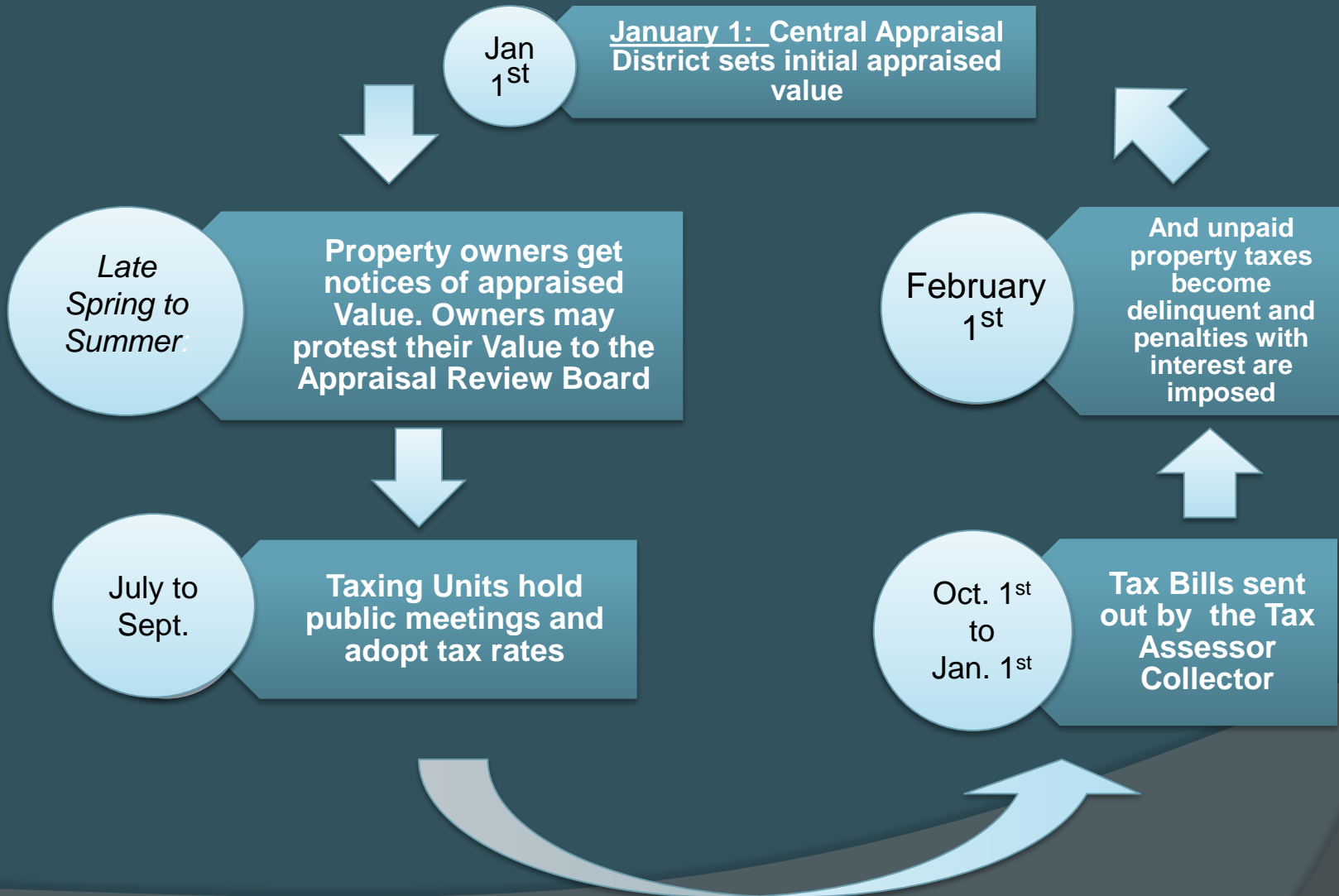
		Registered Voters	7% Petition Threshold
City	Fort Worth	444,681	31,128
County	Tarrant	1,019,633	71,374

Source: Texas Secretary of State

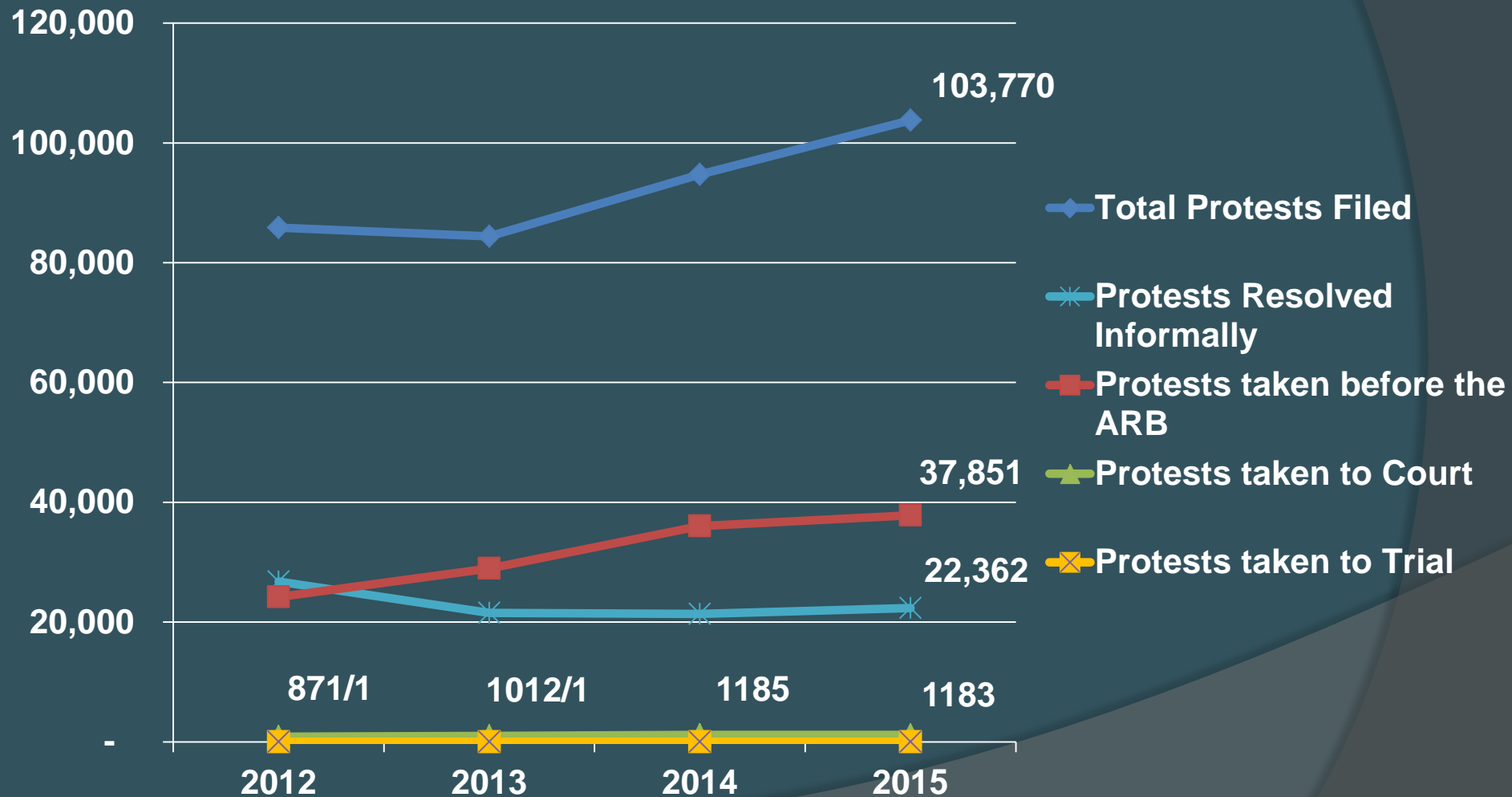
Note: County totals are as of March 2016, City totals are unofficial

The automatic rollback process for school taxes is simple and doesn't require taxpayers to spend their own money on a petition drive. An election is required when tax rate increases exceed the rollback rate

The Property Tax Cycle

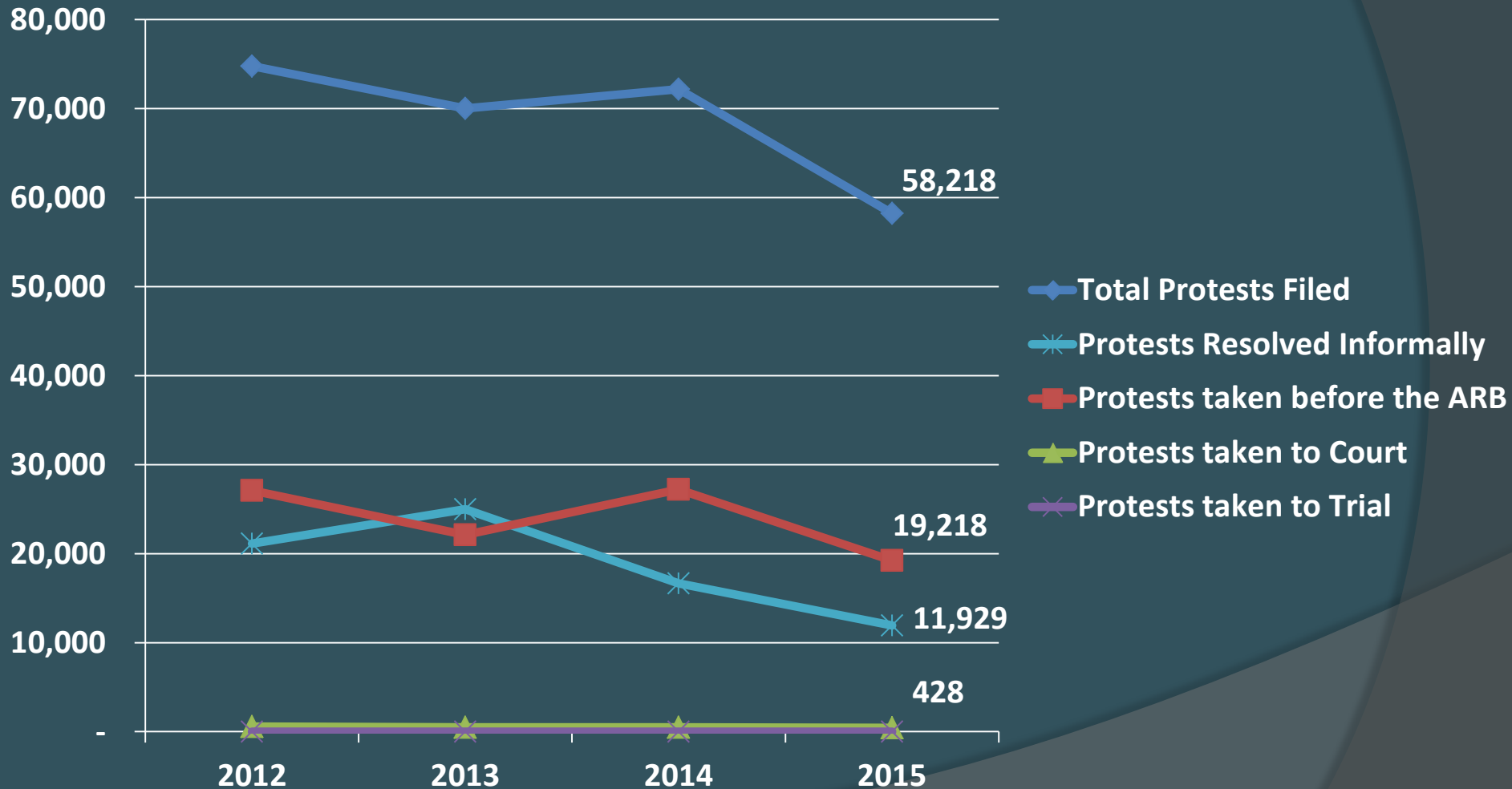


The Property Tax Protest Process: Data from Dallas County



Source: Source: Protest data provided by Dallas Central Appraisal District

The Property Tax Protest Process: Data from Tarrant County



Source: Source: Protest data provided by Tarrant Appraisal District



Senate Select Committee for Property Tax Reform & Relief



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Live Webcast : <http://www.senate.state.tx.us/75r/Senate/events.php>