

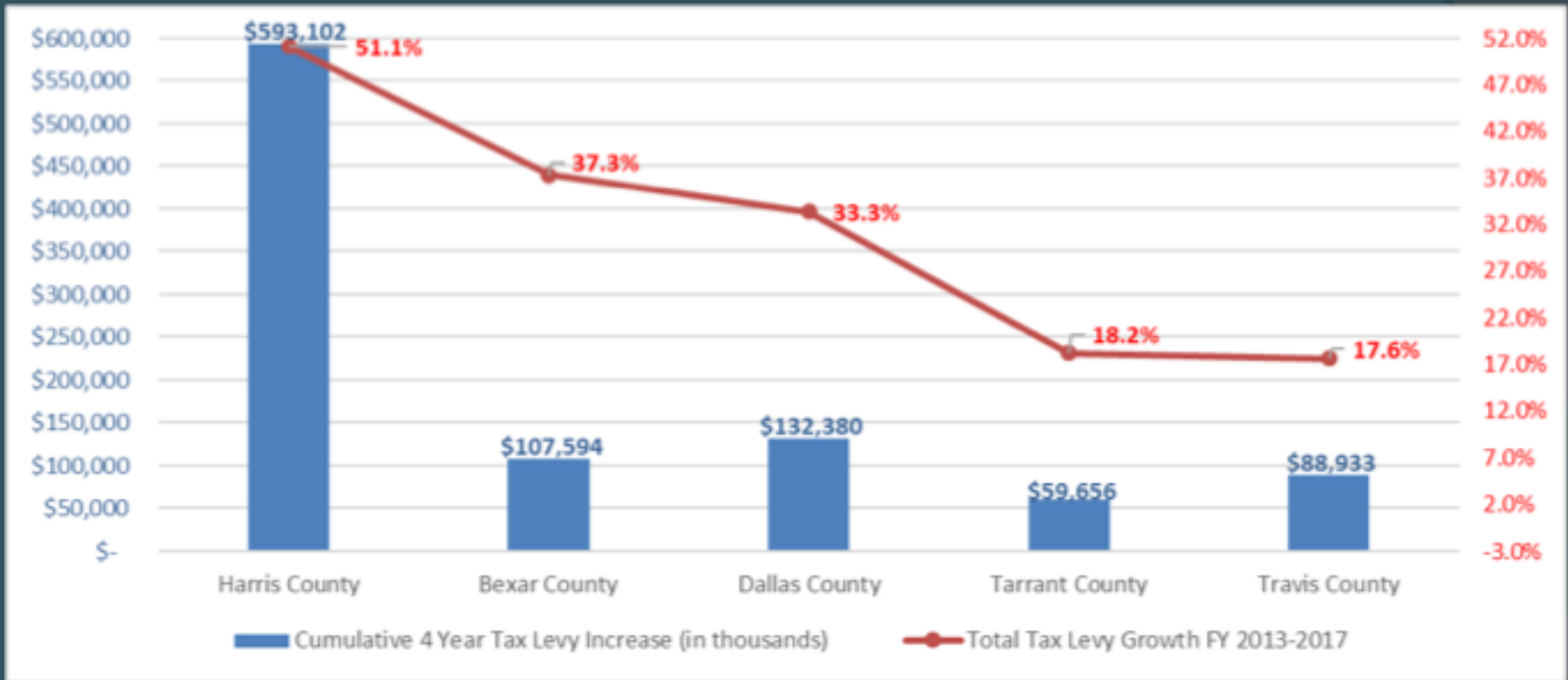
Senate Select Committee on Property Tax Reform



Lone Star College Montgomery
Performing Arts Center
Mainstage Theatre

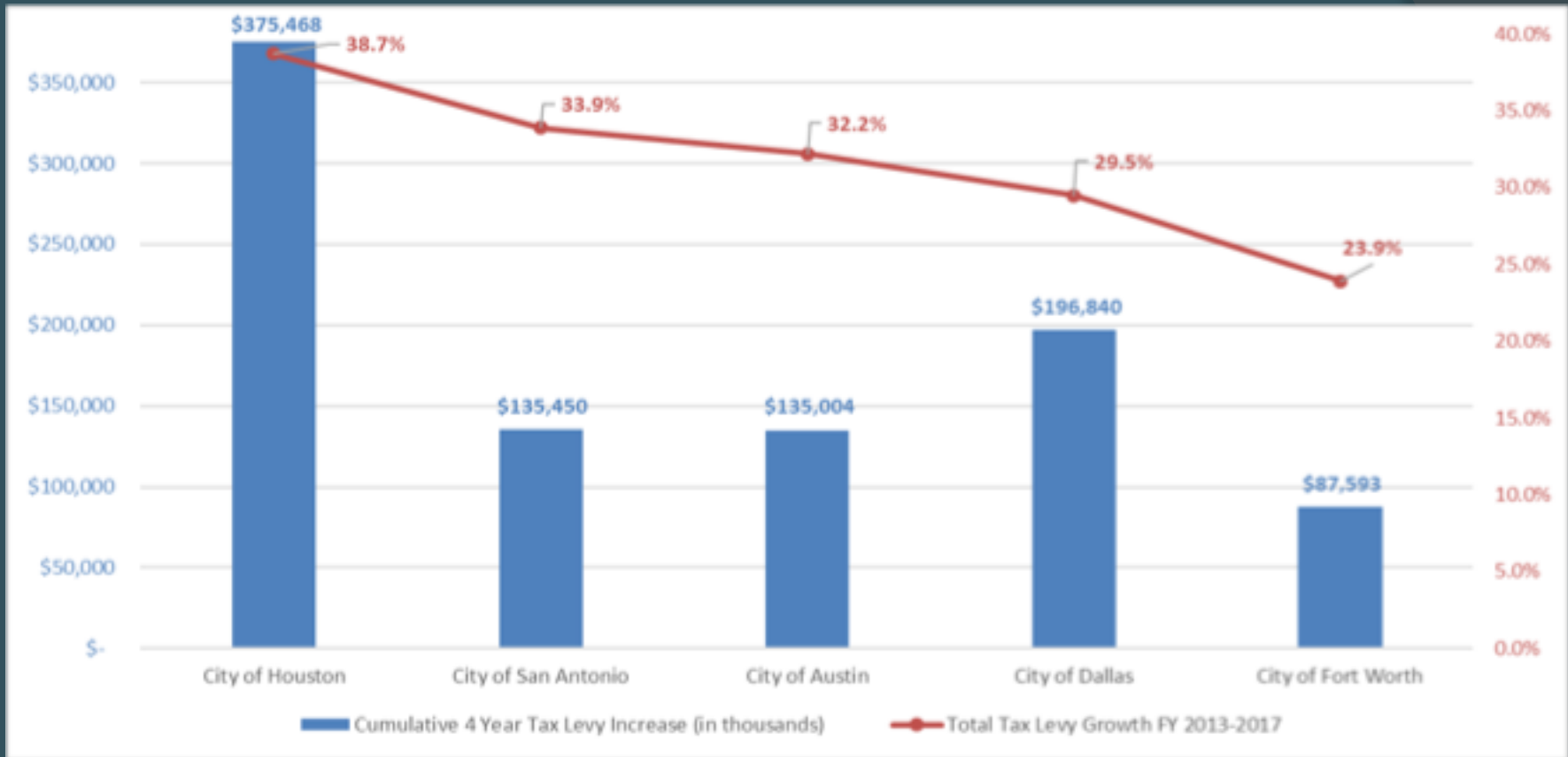


5 Largest Texas Counties 4 Year Tax Levy Growth Comparison



	Cumulative 4 Year Tax Levy Increase (in thousands)	Total Tax Levy Growth FY 2013-2017
Harris County	\$ 593,102	51.1%
Bexar County	\$ 107,594	37.3%
Dallas County	\$ 132,380	33.3%
Tarrant County	\$ 59,656	18.2%
Travis County	\$ 88,933	17.6%

5 Largest Texas Cities 4 Year Tax Levy Growth Comparison

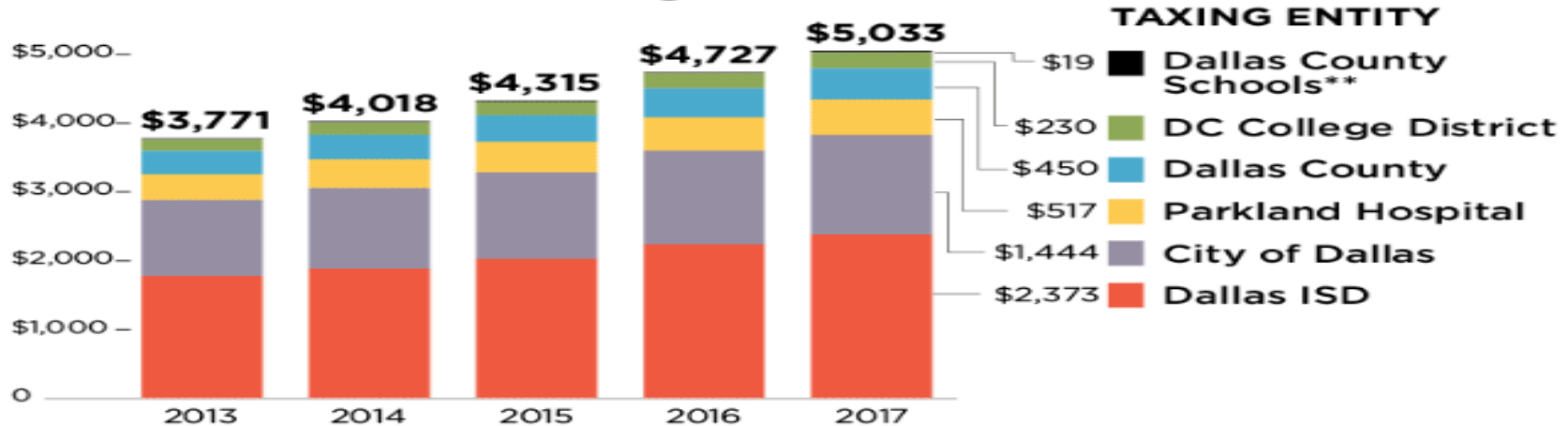


	Cumulative 4 Year Tax Levy Increase (in thousands)	Total Tax Levy Growth FY 2013-2017
City of Houston	\$ 375,468	38.7%
City of San Antonio	\$ 135,450	33.9%
City of Austin	\$ 135,004	32.2%
City of Dallas	\$ 196,840	29.5%
City of Fort Worth	\$ 87,593	23.9%

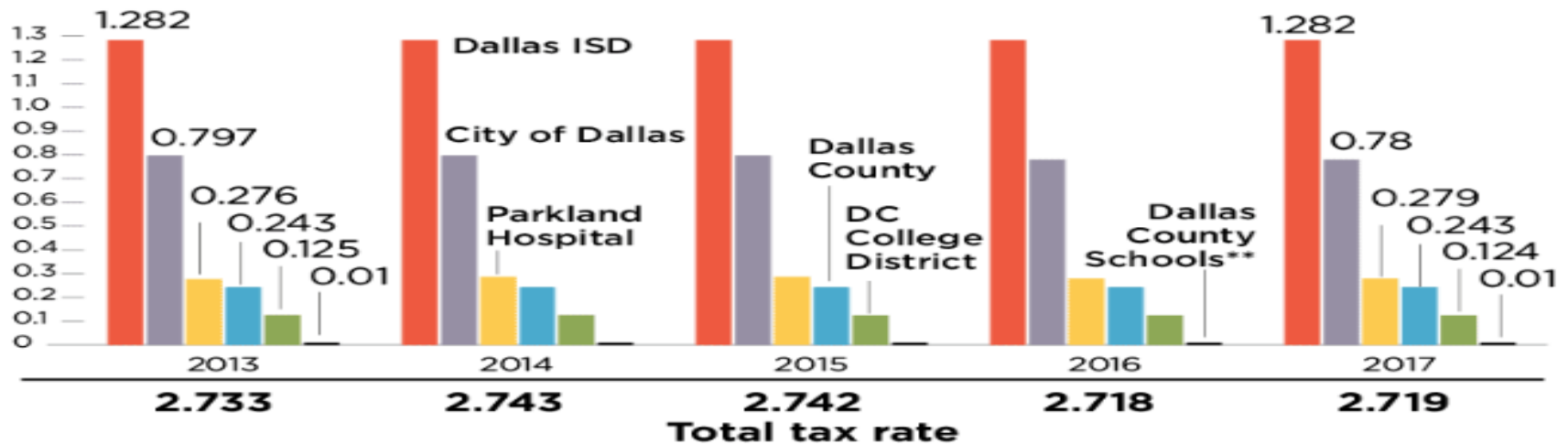
Dallas property tax bills have climbed steadily

Property tax bills in Dallas include bills from six taxing entities, each with its own rate. The bills have climbed despite mostly flat tax rates because homes have increased in value.

Annual taxes on the average Dallas home*



Tax rates have held steady



*The average taxable value among single-family residences in Dallas increased from \$137,993 in 2013 to \$185,074 in 2017. The average taxable value takes into account the overall impact of homestead and other exemptions.

**Dallas County Schools has been dissolved, and so in the future its taxing authority will be assumed by local school districts.

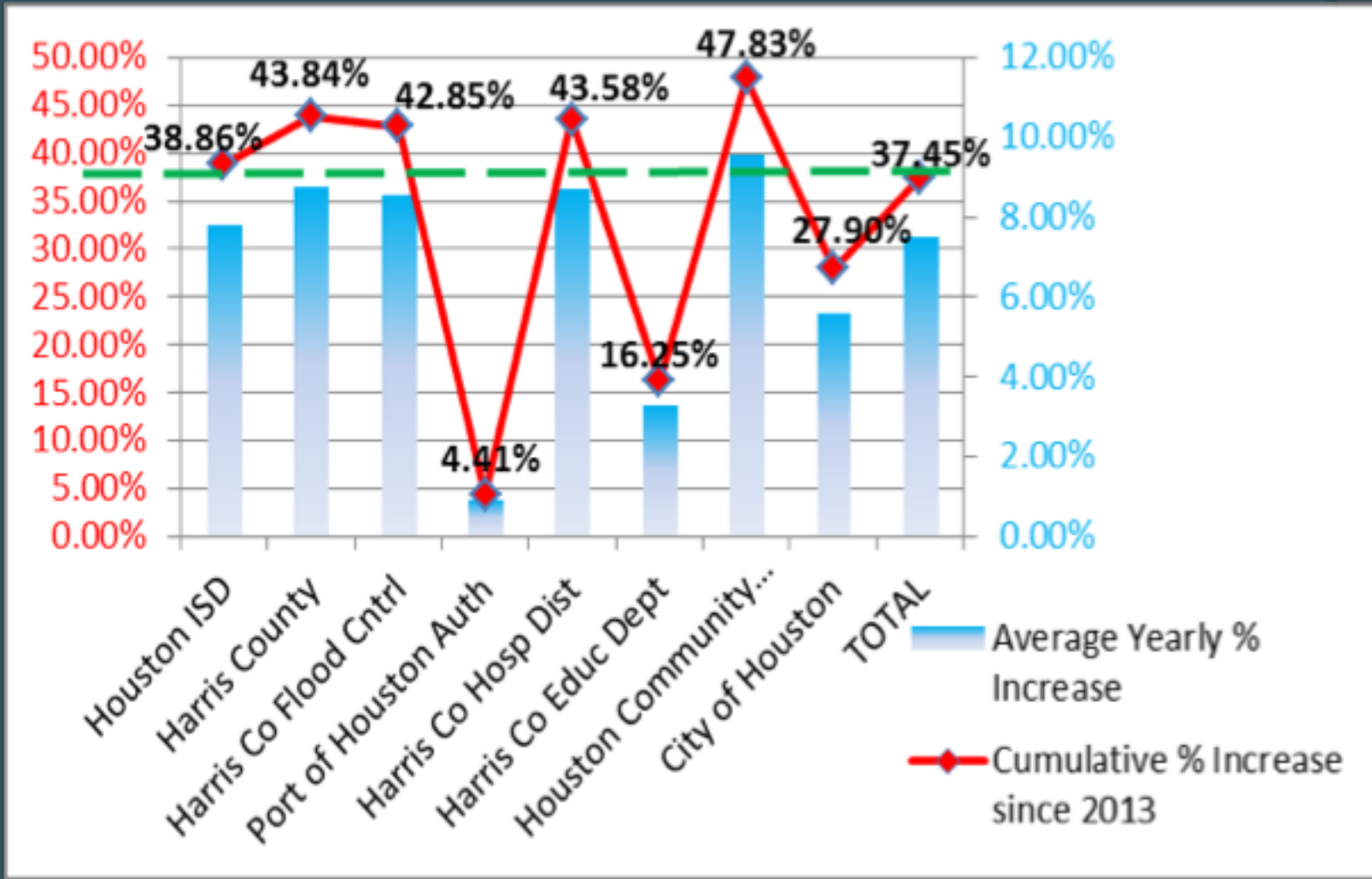
Staff Graphic

Source: "Property taxes are crushing Dallas homeowners, not that the City Council has noticed", Dallas Morning News Editorial, Aug 27, 2018

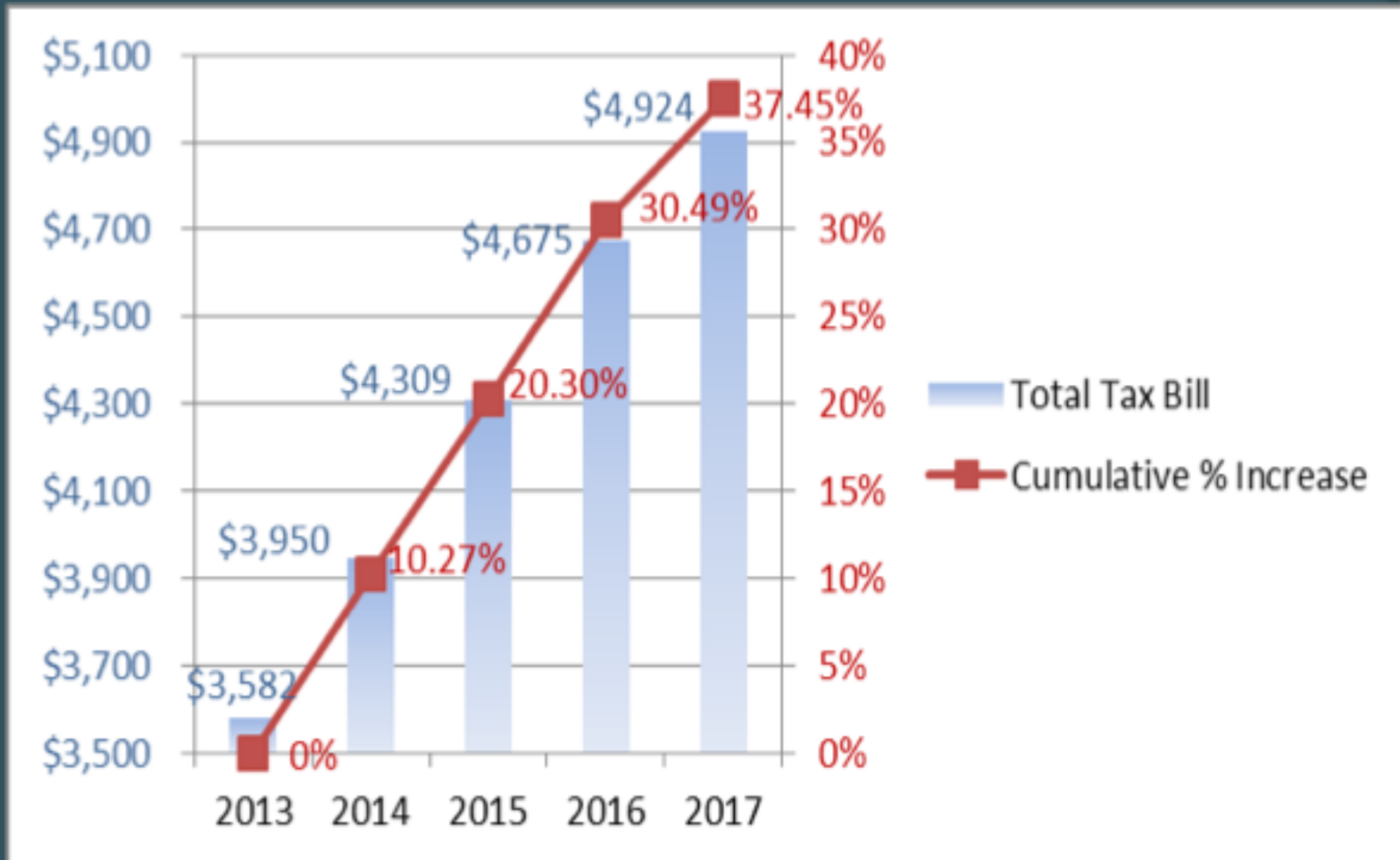
Typical Houston Homeowner's Property Tax Bill for 2017 and the Cumulative Change Since 2013

Jurisdiction	2017			Year over Year (YOY) \$ Increase	YOY Percentage Increase	Cumulative \$ Increase since 2013	Cumulative Percentage Increase
	Avg. Taxable Value	Tax Rate	Tax Bill				
Houston ISD	\$ 215,544	\$ 1.206700	\$ 2,601	\$ 135	5.48%	\$ 728	38.86%
Harris County	\$ 165,822	\$ 0.418010	\$ 693	\$ 36	5.43%	\$ 211	43.84%
Harris Co Flood Cntrl	\$ 165,822	\$ 0.028310	\$ 47	\$ 2	5.13%	\$ 14	42.85%
Port of Houston Auth	\$ 165,822	\$ 0.012560	\$ 21	\$ (0.23)	-1.08%	\$ 0.88	4.41%
Harris Co Hosp Dist	\$ 165,822	\$ 0.171100	\$ 284	\$ 13	4.64%	\$ 86	43.58%
Harris Co Educ Dept	\$ 165,445	\$ 0.005195	\$ 9	\$ 0.45	5.54%	\$ 1.20	16.25%
Hou Community College	\$ 219,067	\$ 0.100263	\$ 220	\$ 11	5.40%	\$ 71	47.83%
City of Houston	\$ 179,701	\$ 0.584210	\$ 1,050	\$ 52	5.20%	\$ 229	27.90%
TOTAL TAX BILL			\$ 4,924	\$ 249	5.33%	\$ 1,341	37.45%

Tax Growth by Taxing Jurisdiction 2013-2017



Average City of Houston Homeowner's 4 Year Property Tax Bill Increase



CHARGE ONE

Evaluate the effective tax rate and rollback tax rate calculations and identify modifications that would yield a rollback process that is meaningful for local governments and for citizens. Evaluate whether the current rollback election trigger serves modern objectives.

CHARGE TWO

Evaluate the operations of appraisal review boards (ARBs), specifically the training and expertise of members concerning appraisal standards and law, ethics, and meeting procedures.

Determine whether ARB operations are sufficiently independent of central appraisal districts and taxing units and whether ARBs and/or chief appraisers should be

Appraisal Review Board Sizes

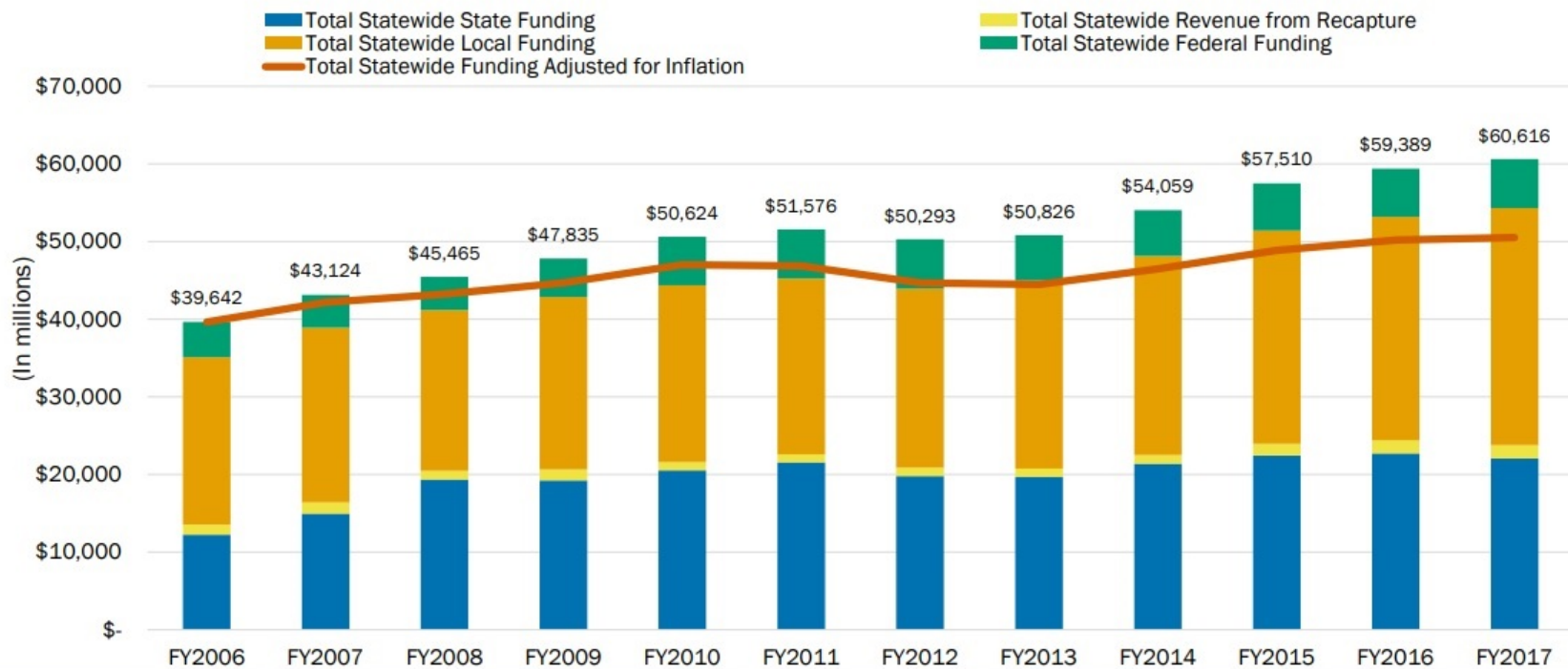
County	2016	2018
Harris	190	173
Dallas	95	95
Tarrant	85	84
Travis	26	26
Bexar	50	50
Montgomery	24	24
Ft. Bend	35	59
Collin	29	33
Williamson	13	16
Cameron	10	6
Bee	4	4
Maverick	5	5
El Paso	30	35
Lubbock	14	13
Schleicher	3	4
Brazos	7	8
Smith	7	7
Tyler	6	7

Sources: Texas Comptroller, Operation Survey Data 2016 and independent study through ARB websites and/or direct phone calls to ARB offices

CHARGE THREE

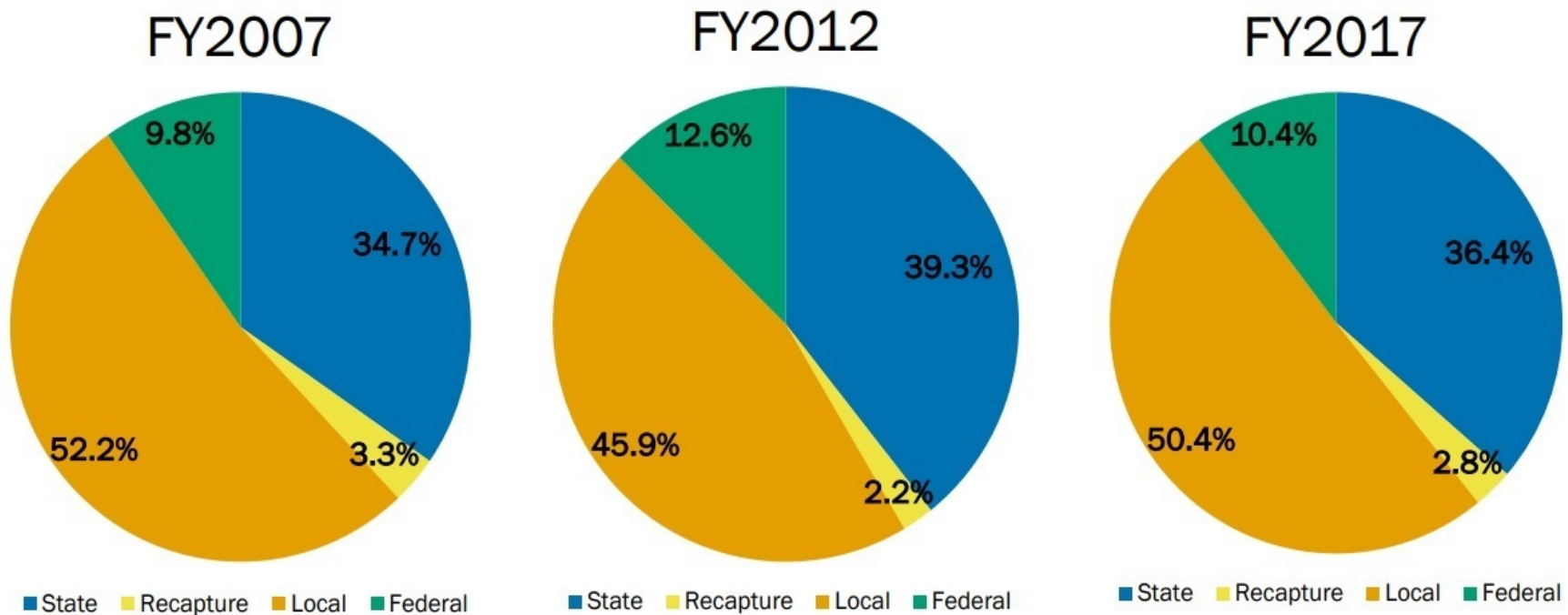
Study the feasibility of replacing the property tax with sales tax or other consumption tax revenue, with emphasis on school maintenance and operations tax. Evaluate whether some local property taxes lend themselves to a swap more than others. Quantify the short-term and long-term economic effects of a tax swap. Identify a target property tax rate and evaluate how to reach that target with a consumption tax swap

Total annual funding has increased 53% (from \$39.6 billion in FY2006 to \$60.6 billion in FY2017)



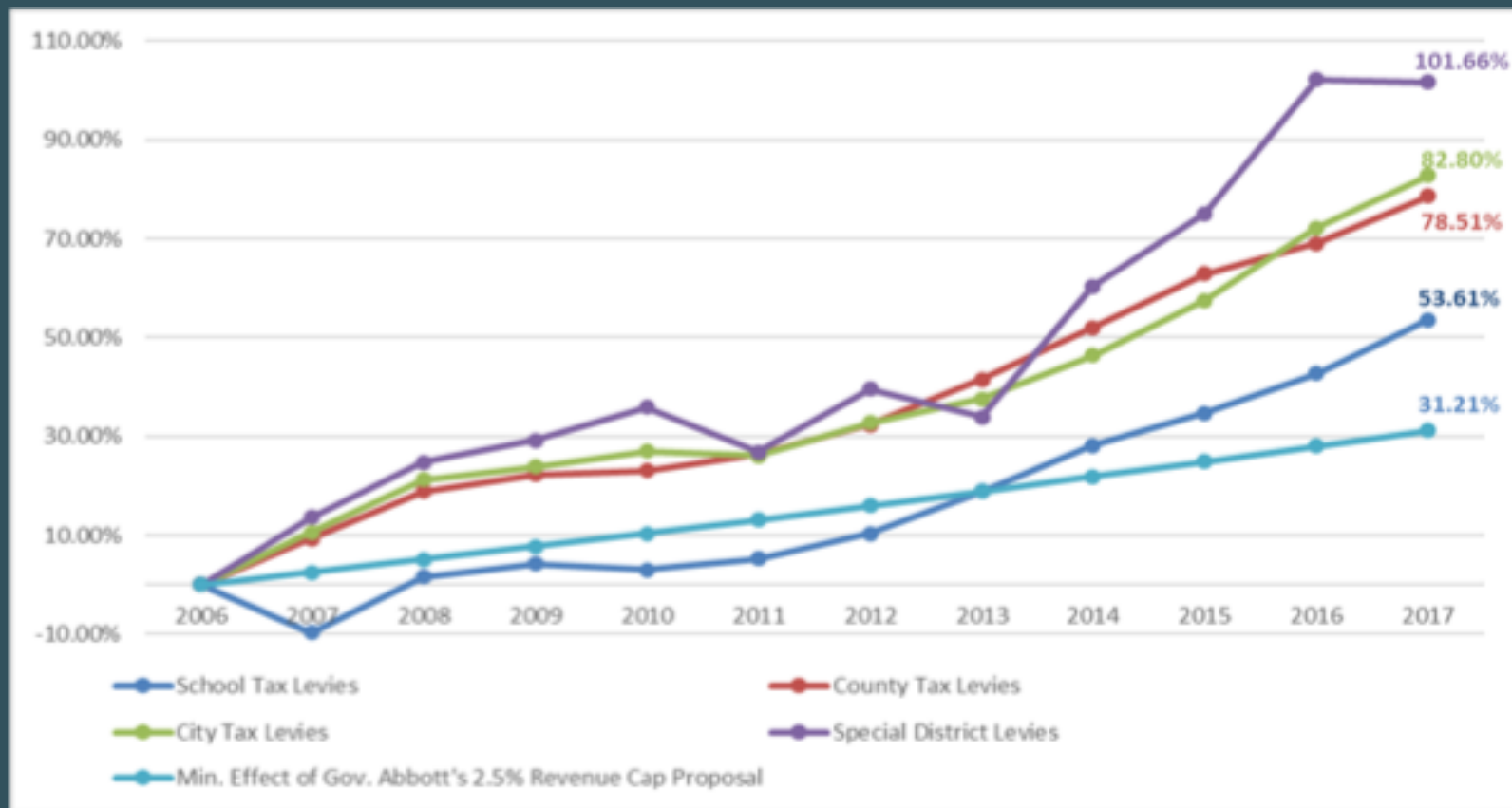
Data sources: TEA PEIMS Financial Data, TEA Payment Report, and the General Appropriations Act

Comparison of the percentage breakdown of funding sources between FY2007 and FY2017



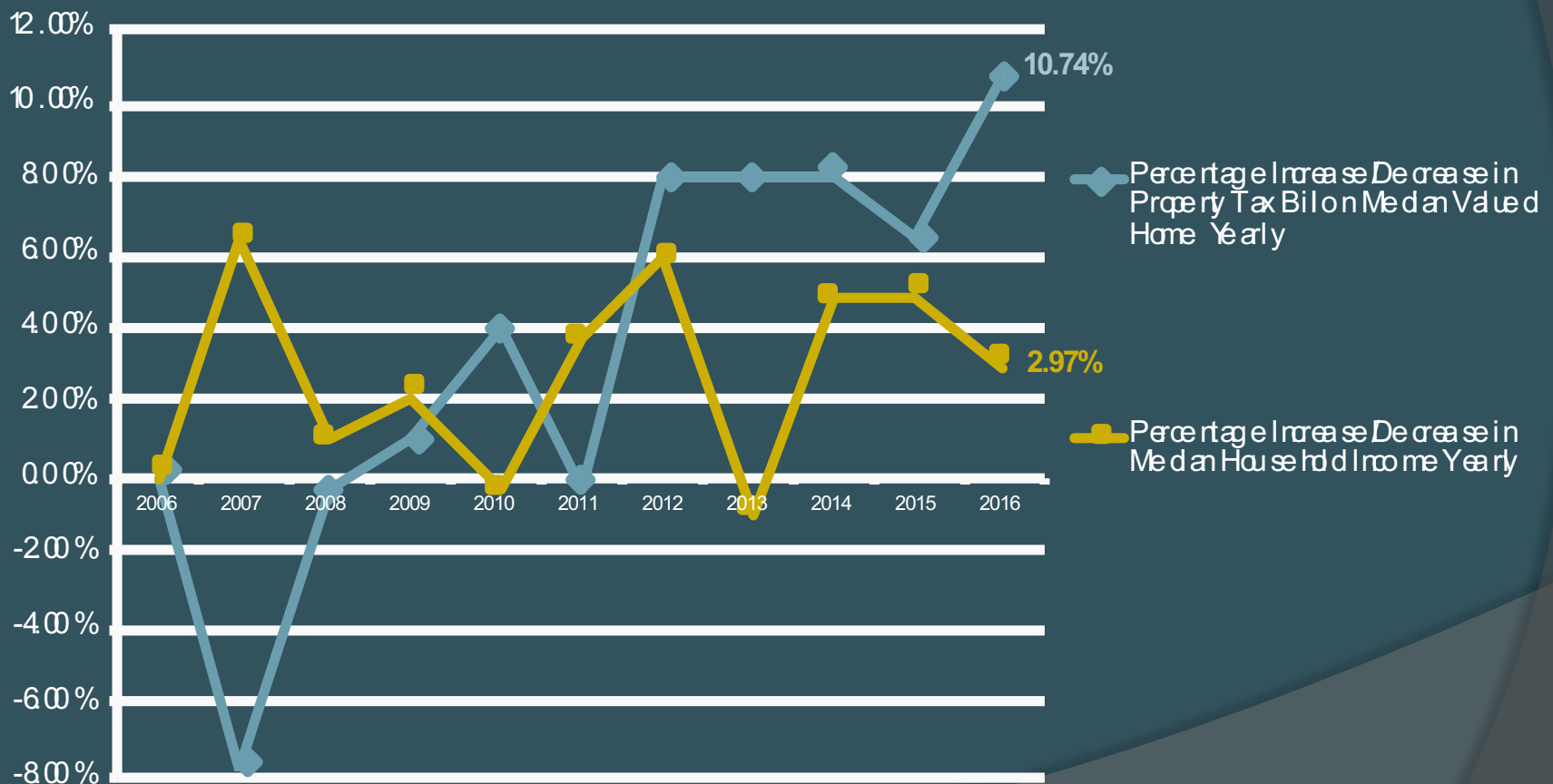
2006-2017 Property Tax Levy Growth

Since 2006, Property Tax Levies by class of taxing jurisdictions have grown by almost 54%, 79%, 83% and even over 100%.



Property Taxes on a Median Valued Home vs. Median Household Income

In 2016, Property Taxes on a Median Valued Home Grew 2.94 Time Faster than Median Household Income.



Sources: Texas Comptroller of Public Accounts; Texas Real Estate Research Center; Federal Reserve; US Bureau of Labor Statistics

Senate Select Committee on Property Tax Reform

Senator Paul Bettencourt, Chair

Senator Brandon Creighton

Senator Kelly Hancock

Senator Eddie Lucio, Jr.

Senator Charles Perry

Senator Van Taylor

