

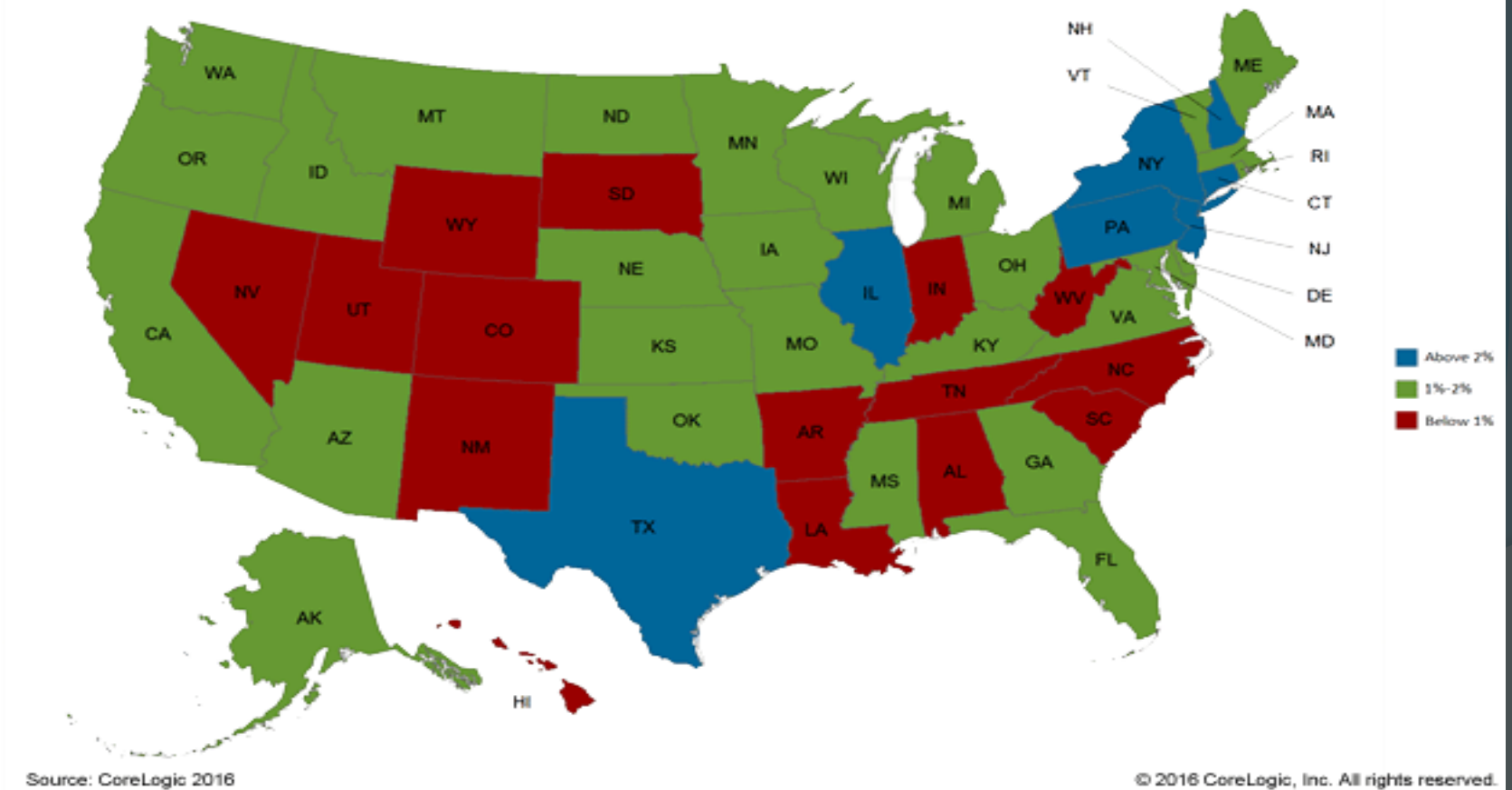
Senate Select Committee for Property Tax Reform & Relief



LOCAL TAX BURDENS NATIONALLY

Texas has one of the highest property tax burdens in the country, with a median property tax rate of \$2.17 per \$100 in property value. Only 4 states have a higher median tax rate.

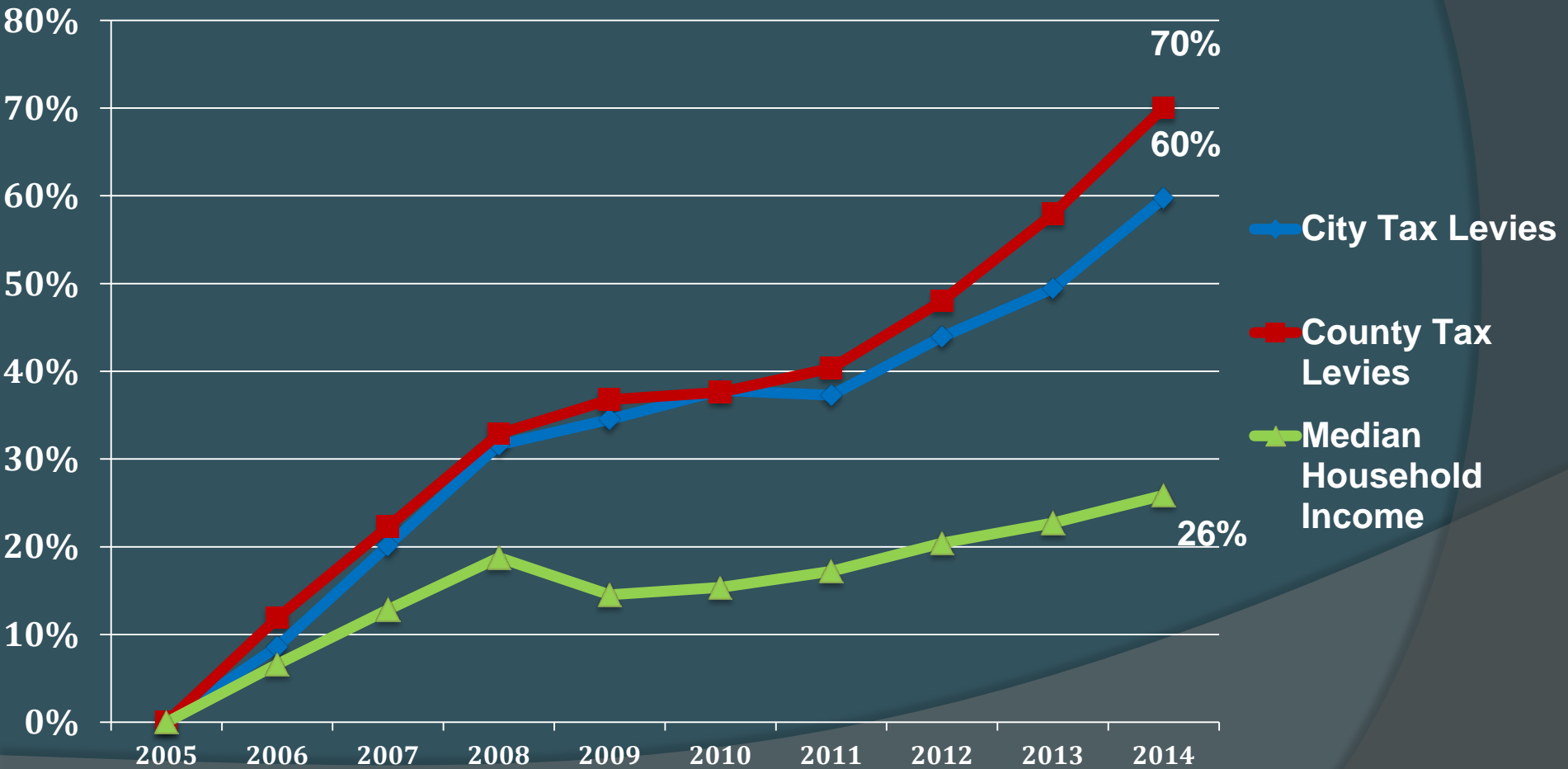
Figure 2: Media Property Tax Rates



LOCAL TAXES VS. HOUSEHOLD INCOMES

Statewide

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



City Property Tax Levies, 2003

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 2004-2014</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 2004-2014</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%	

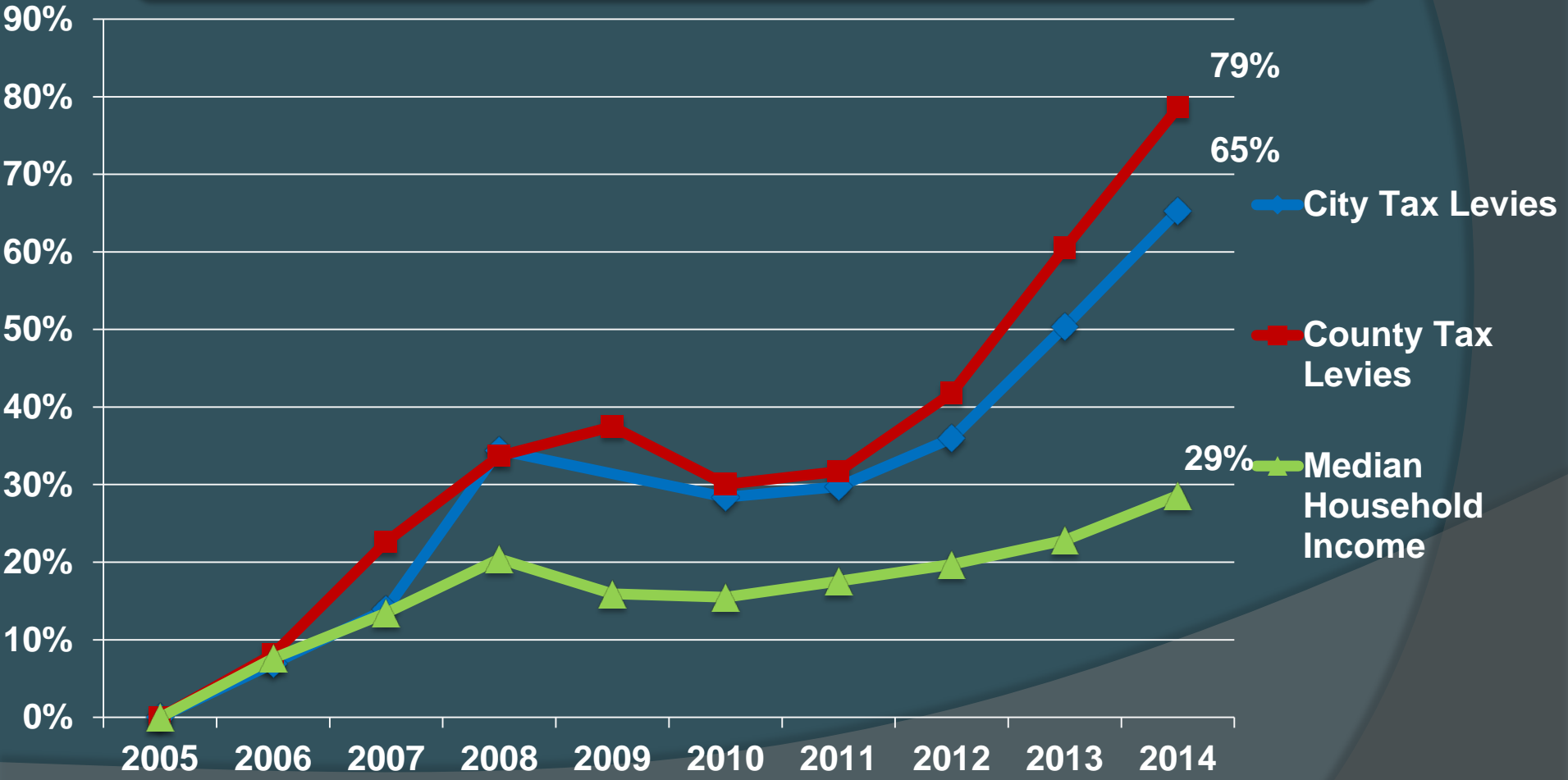
School Property Tax Levies, 2003 to 2014

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%	

LOCAL TAXES VS. HOUSEHOLD INCOMES

Houston/ Harris County

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

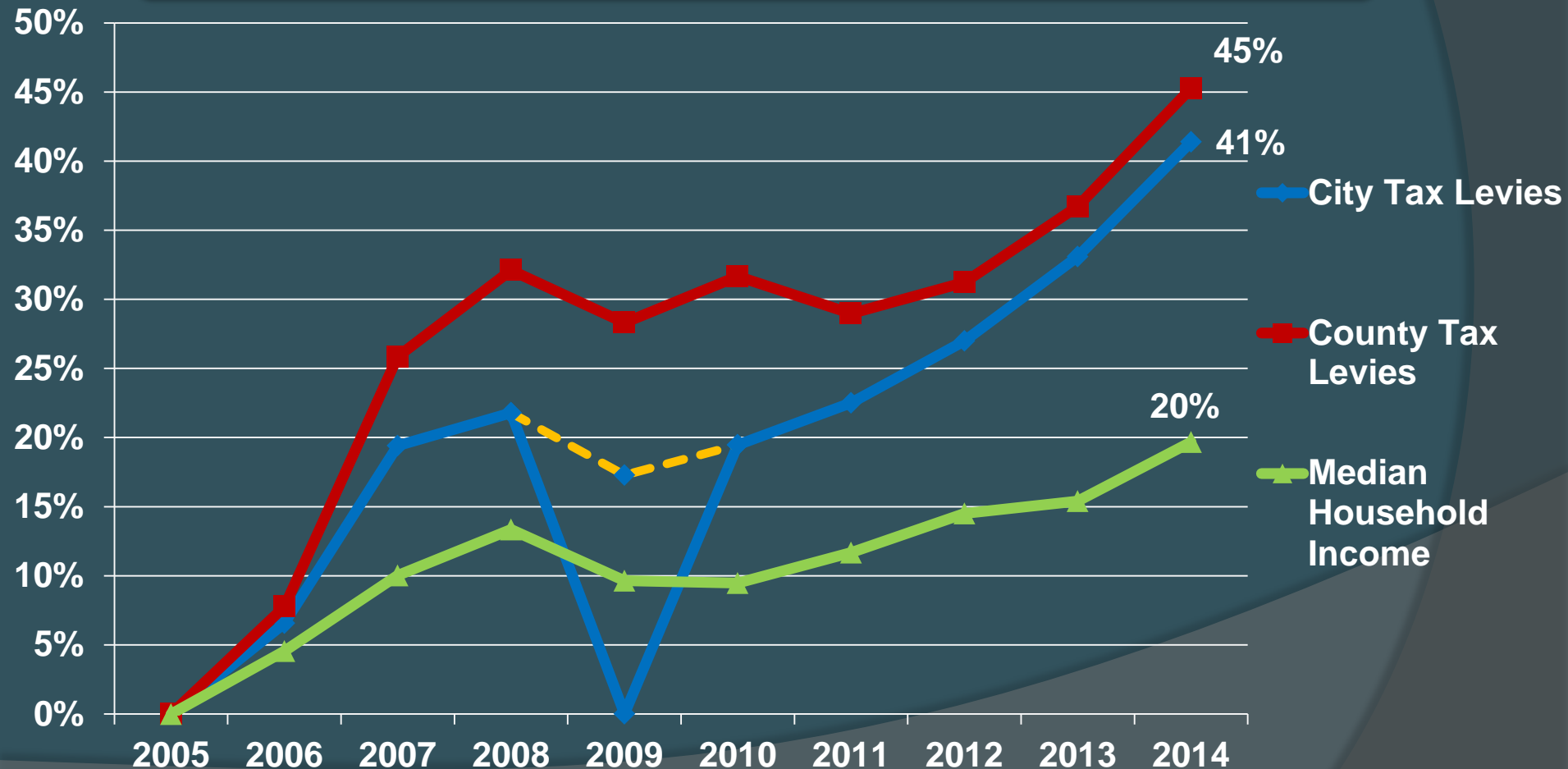


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

Dallas/ Dallas County

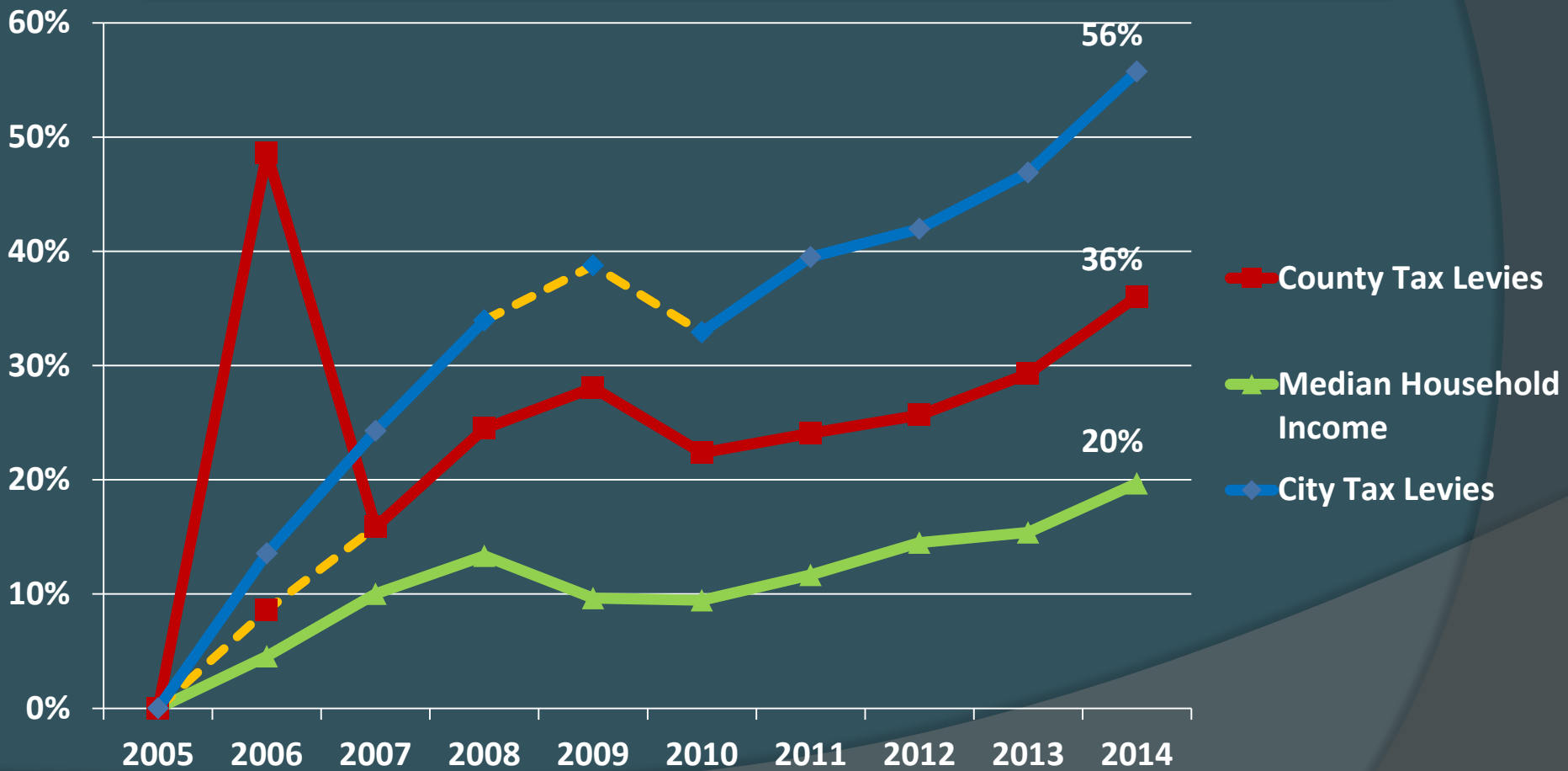
Since 2005, city and county property tax levies have increased much faster than median household incomes



LOCAL TAXES VS. HOUSEHOLD INCOMES

Fort Worth/ Tarrant County

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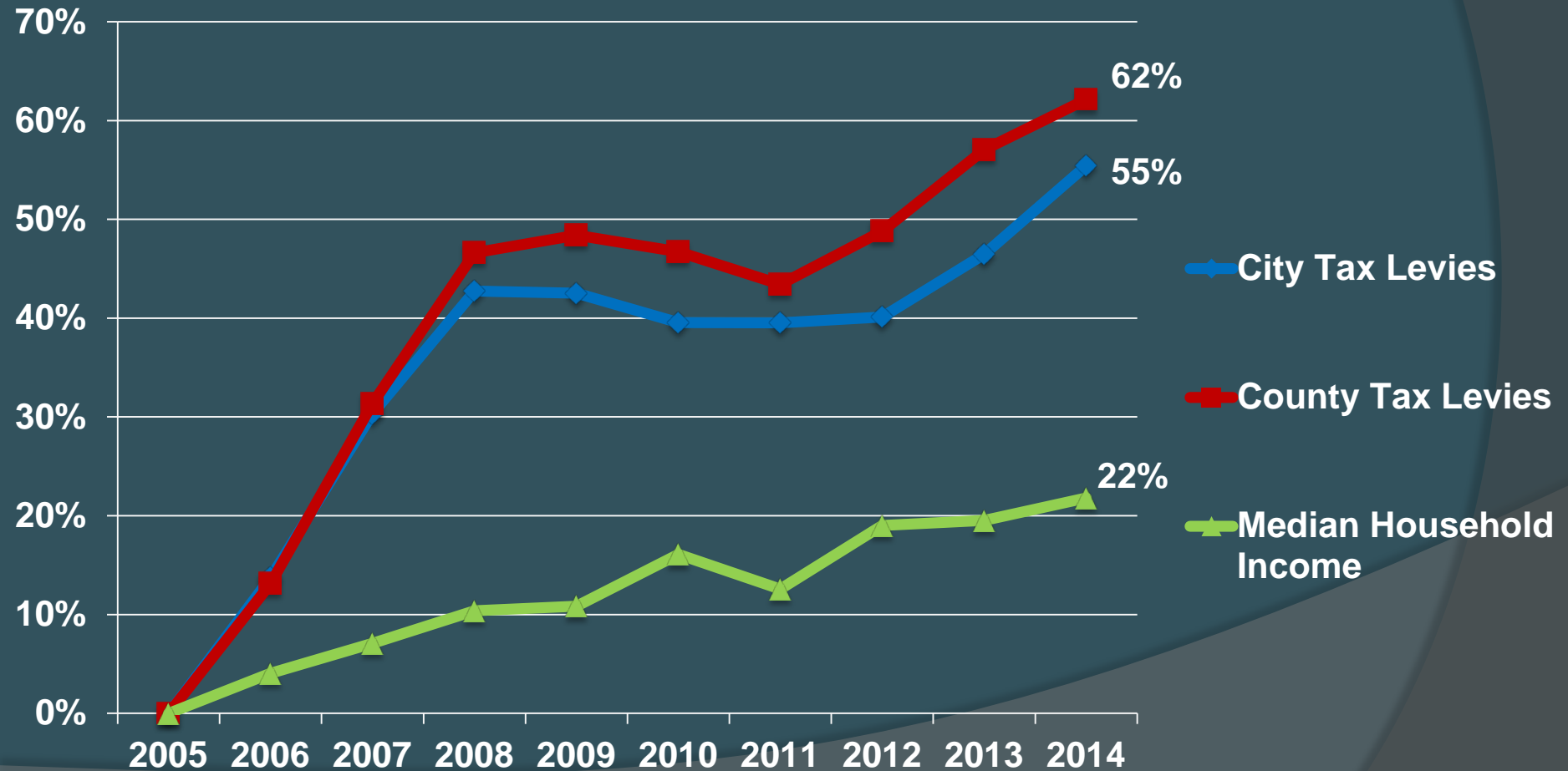


Sources: Texas Comptroller of Public Accounts; U.S. Census American Community Survey (ACS) Historical Nominal Median Household Income

LOCAL TAXES VS. HOUSEHOLD INCOMES

San Antonio / Bexar County

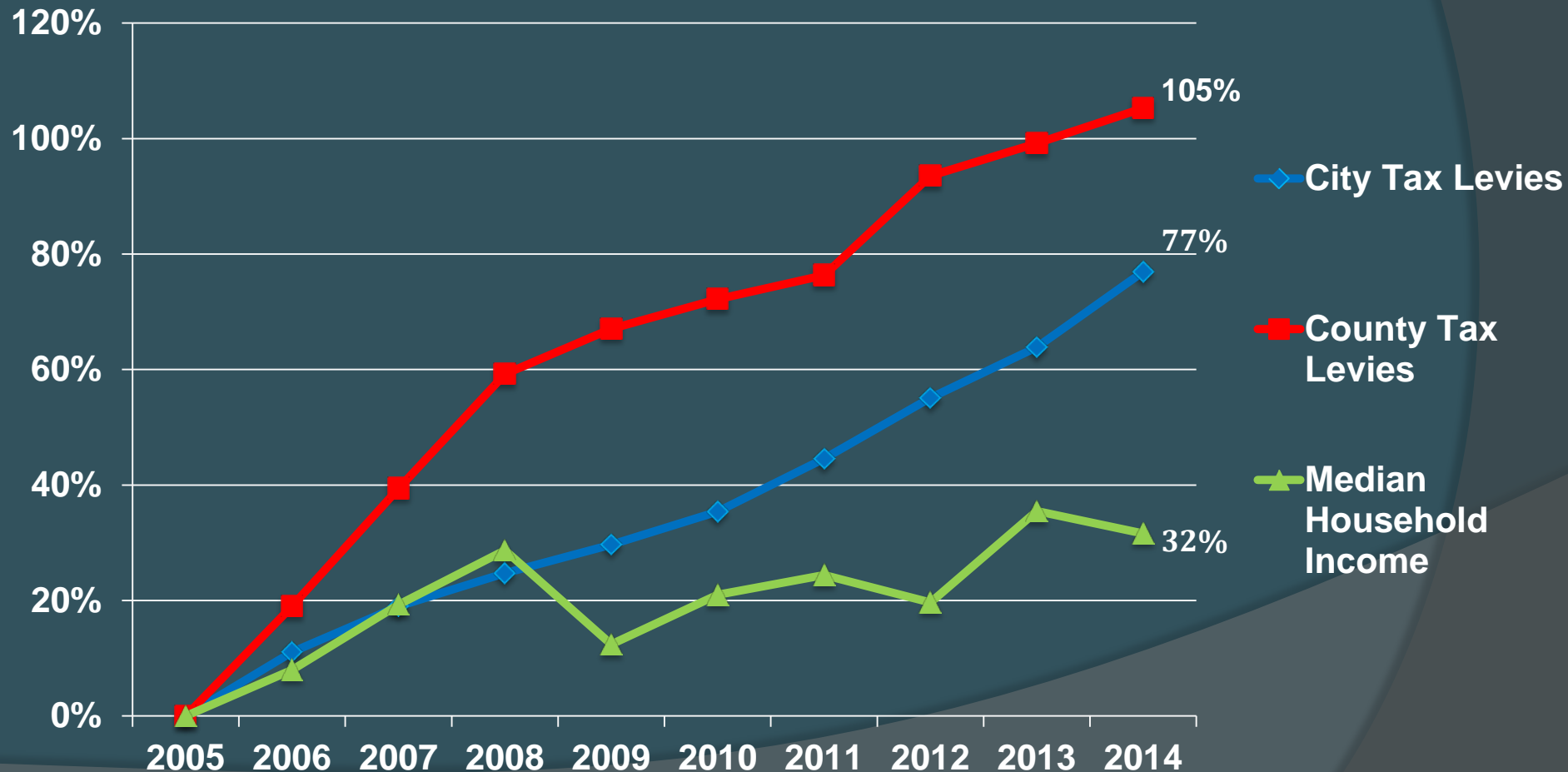
Since 2005, city and county property tax levies have increased much faster than median household incomes



LOCAL TAXES VS. HOUSEHOLD INCOMES

Lubbock/ Lubbock County

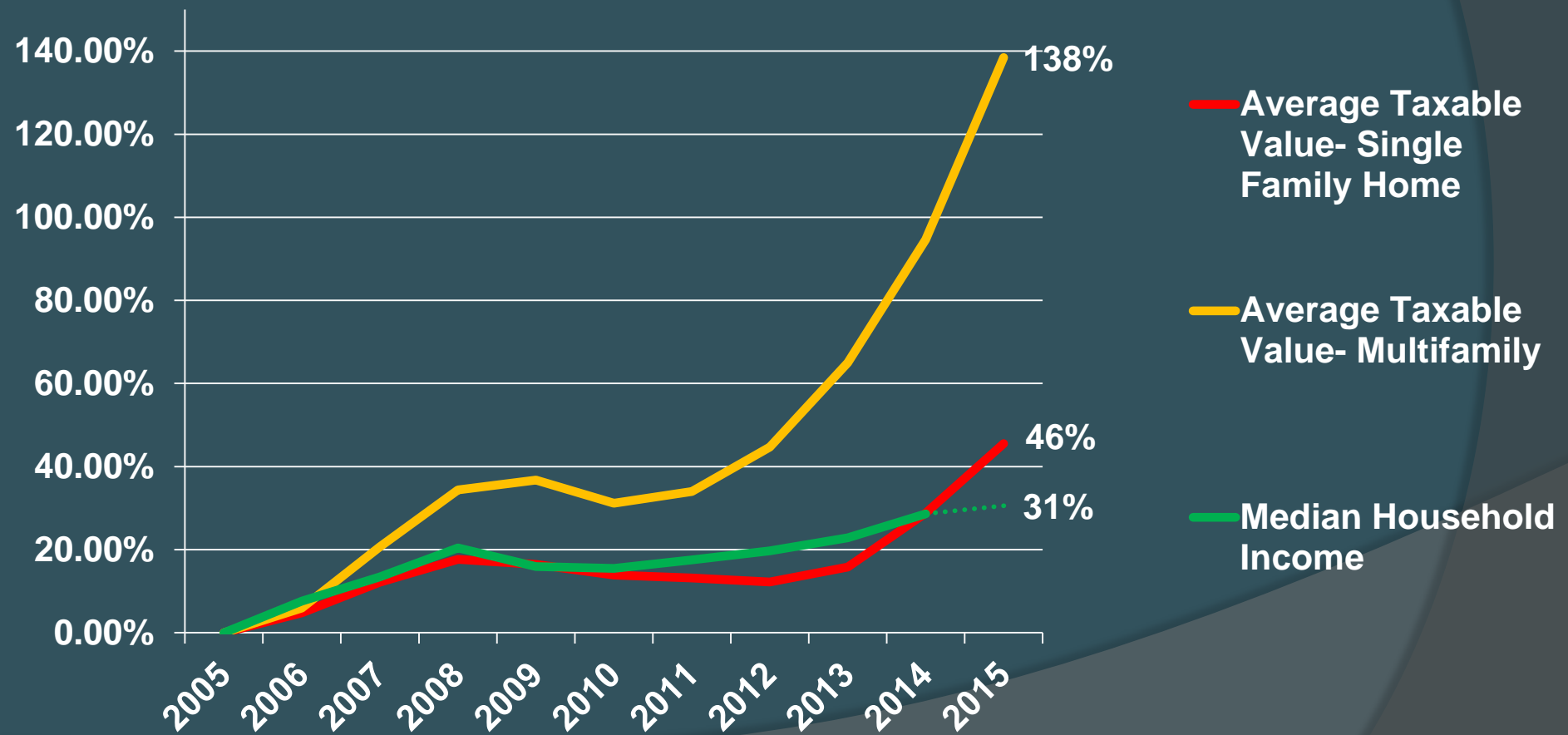
Since 2005, city and county property tax levies have increased much faster than median household incomes



TAXABLE VALUES VS HOUSEHOLD INCOMES

Harris County

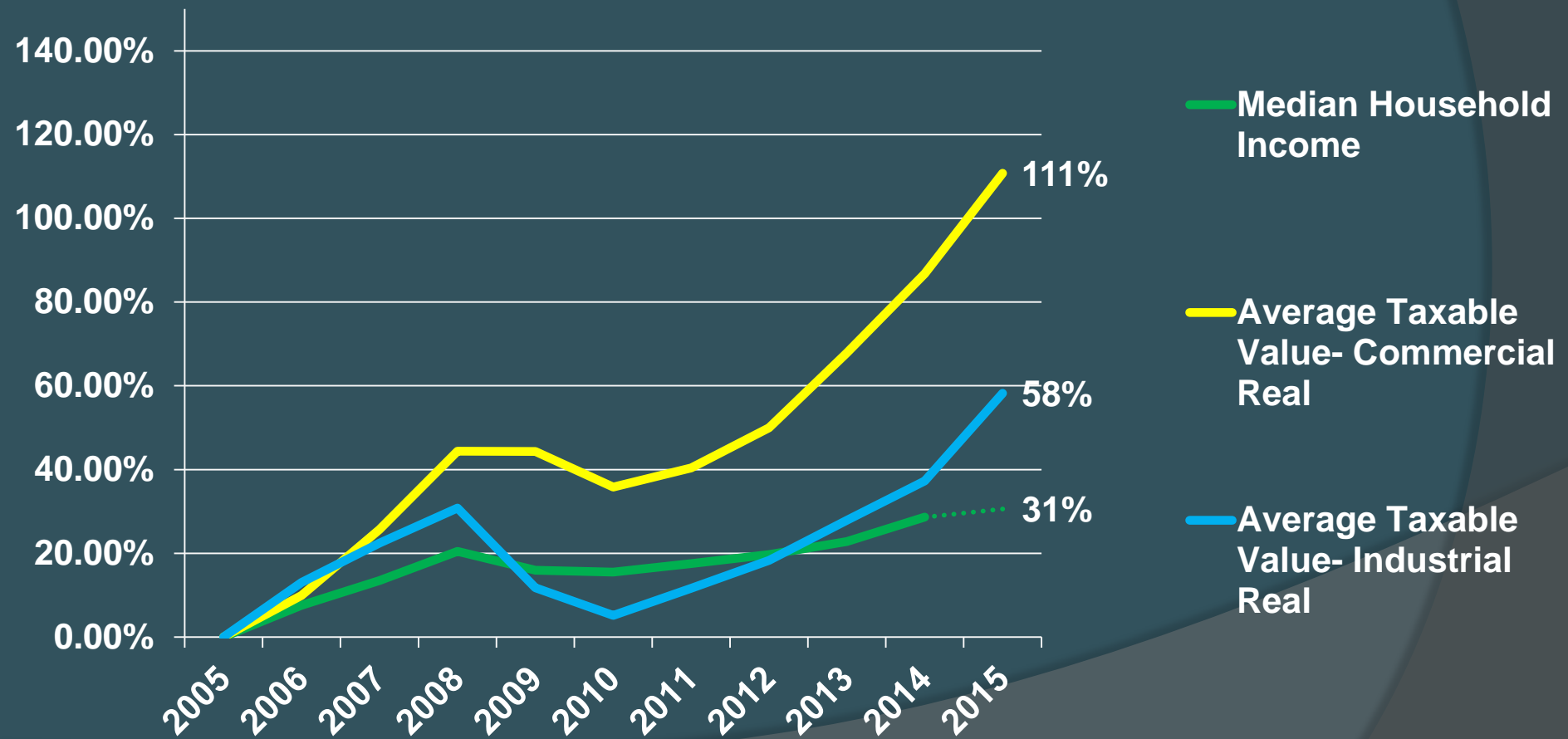
Since 2005, taxable values for both single family and multifamily housing have increased faster than household median income.



TAXABLE VALUES VS HOUSEHOLD INCOMES

Harris County

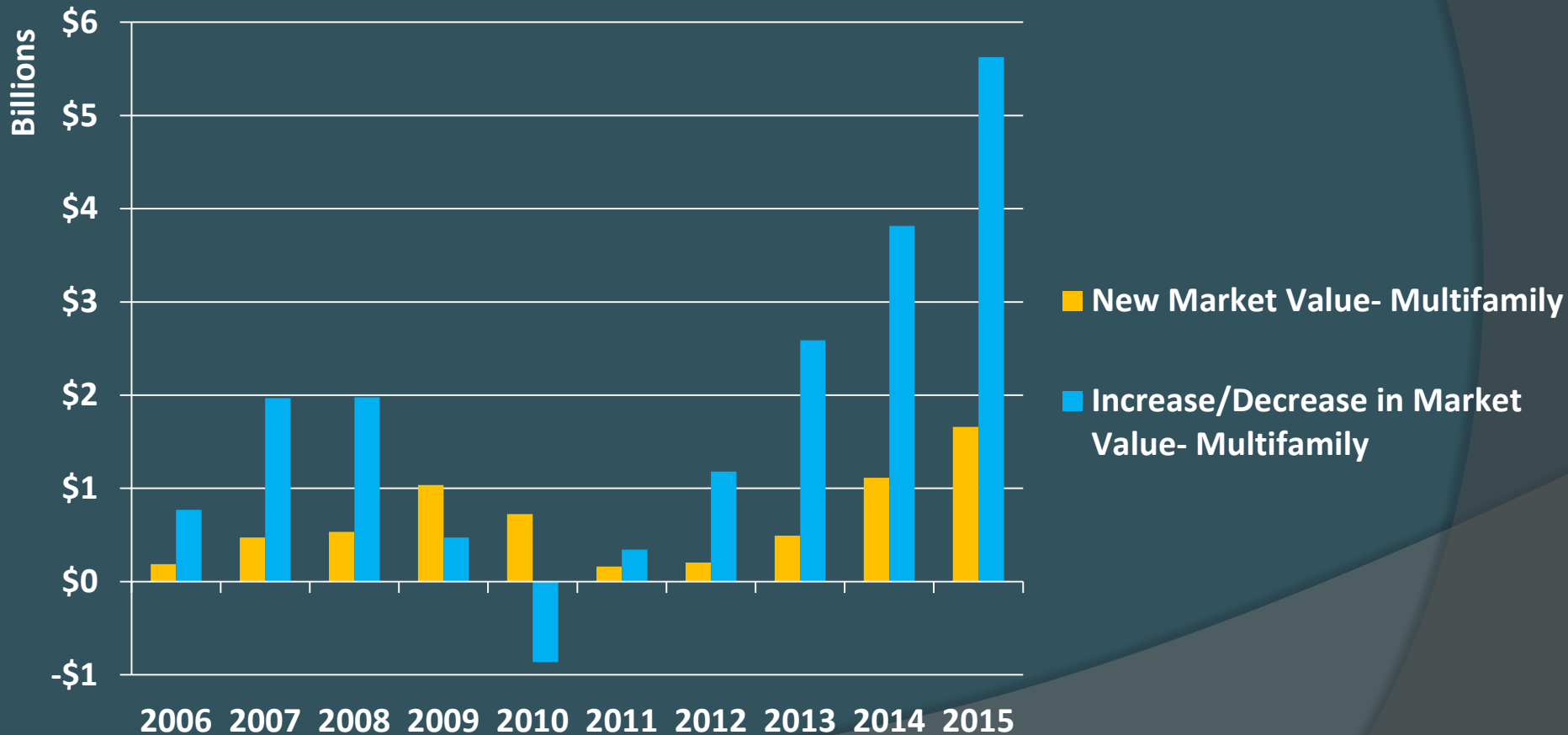
Since 2005, taxable values for both commercial and industrial properties have increased faster than household median income.



NEW VALUE AS A PART OF INCREASING VALUES

Harris County

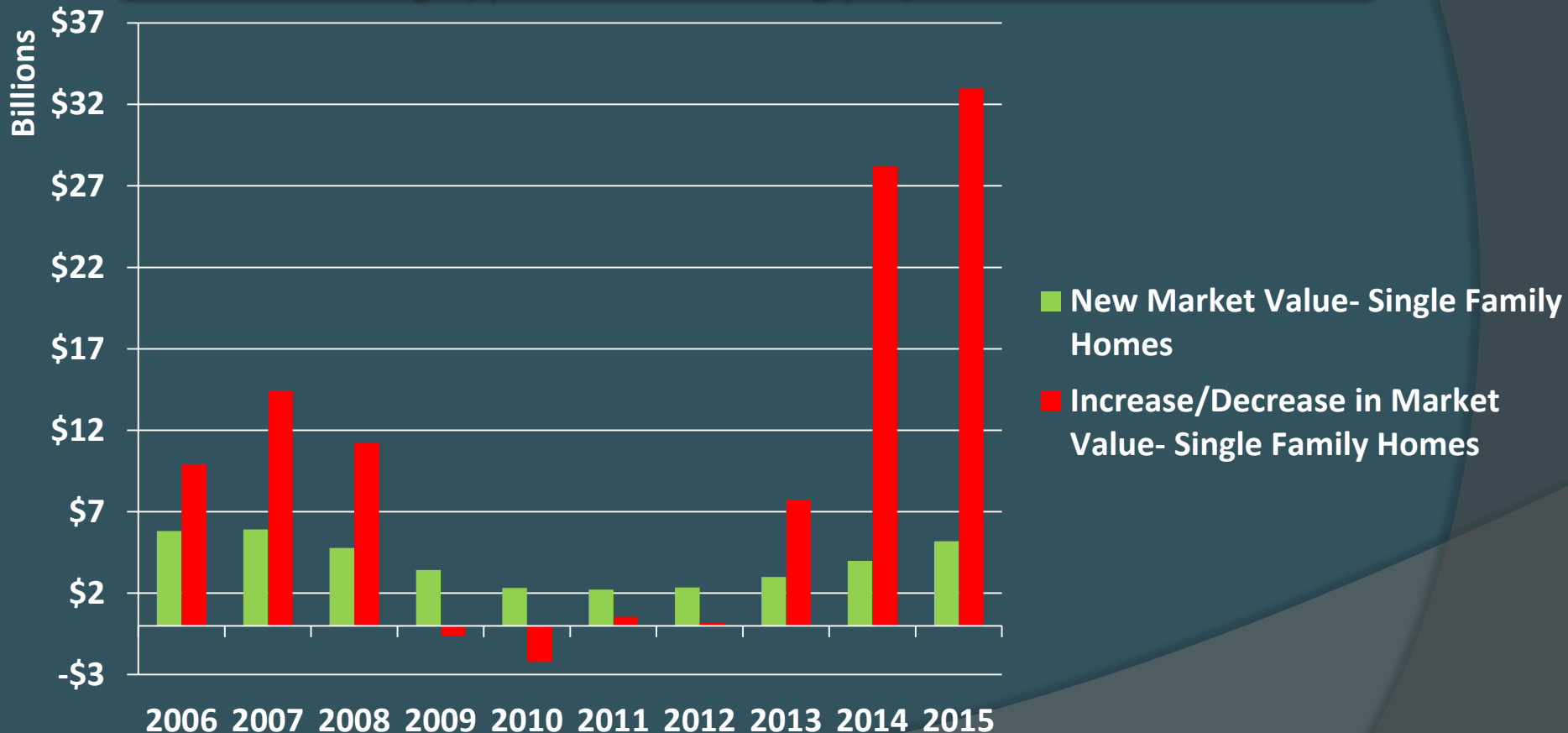
In the last 3 years, the vast majority of the increase in the market value for both single family homes and multifamily housing has been due to increasing appraisals on existing properties.



NEW VALUE AS A PART OF INCREASING VALUES

Harris County

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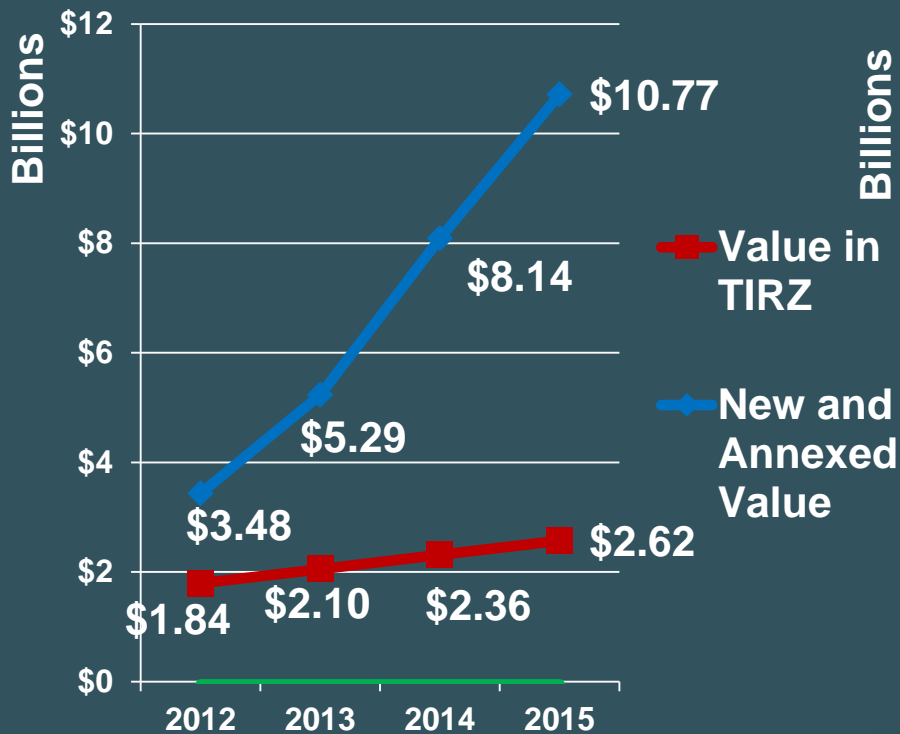


TRUTH IN TAXATION: PROPERTY EXCLUDED FROM THE ROLLBACK CALCULATION 2012-2015

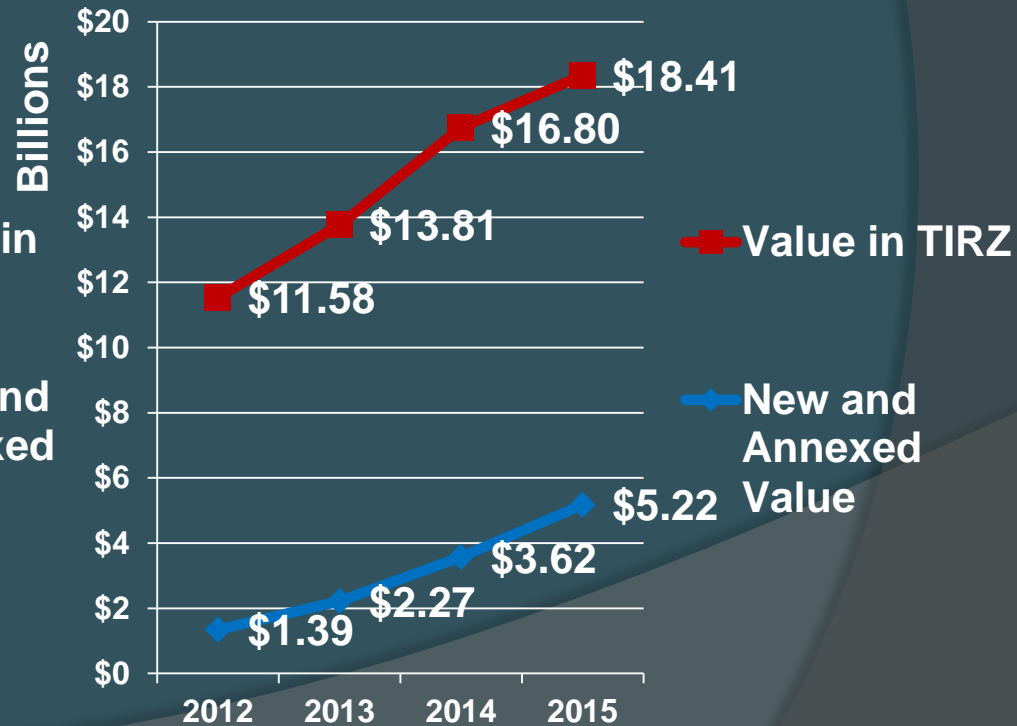
City of Houston and Harris County

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.

Harris County



City of Houston



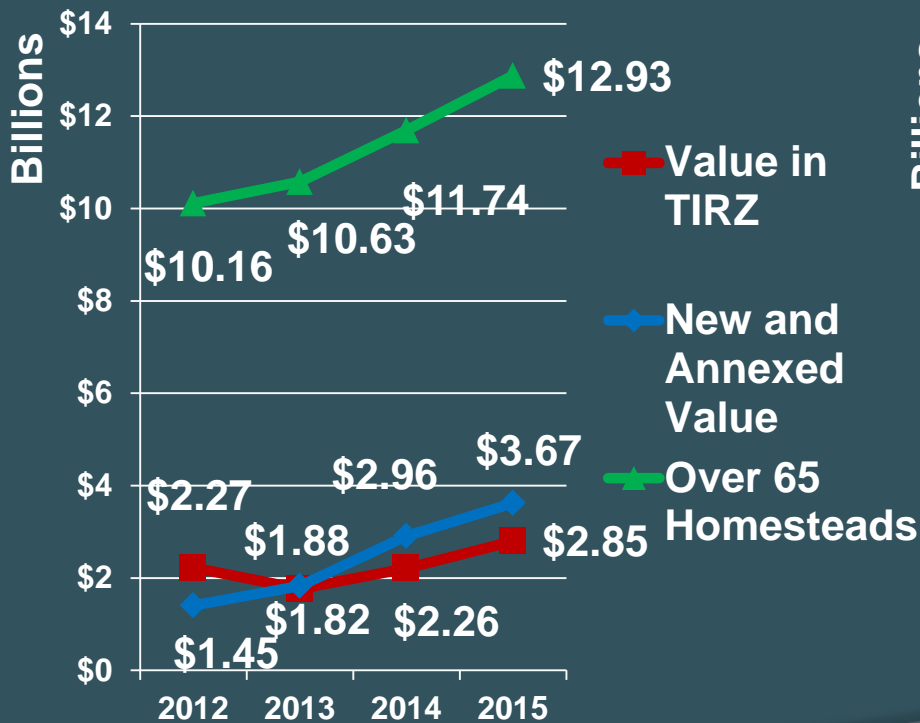
Source: Property value and tax rate data provided by Harris County Tax Office from the Effective and Rollback Tax Rate Worksheets.

TRUTH IN TAXATION: PROPERTY EXCLUDED FROM THE ROLLBACK CALCULATION 2012-2015

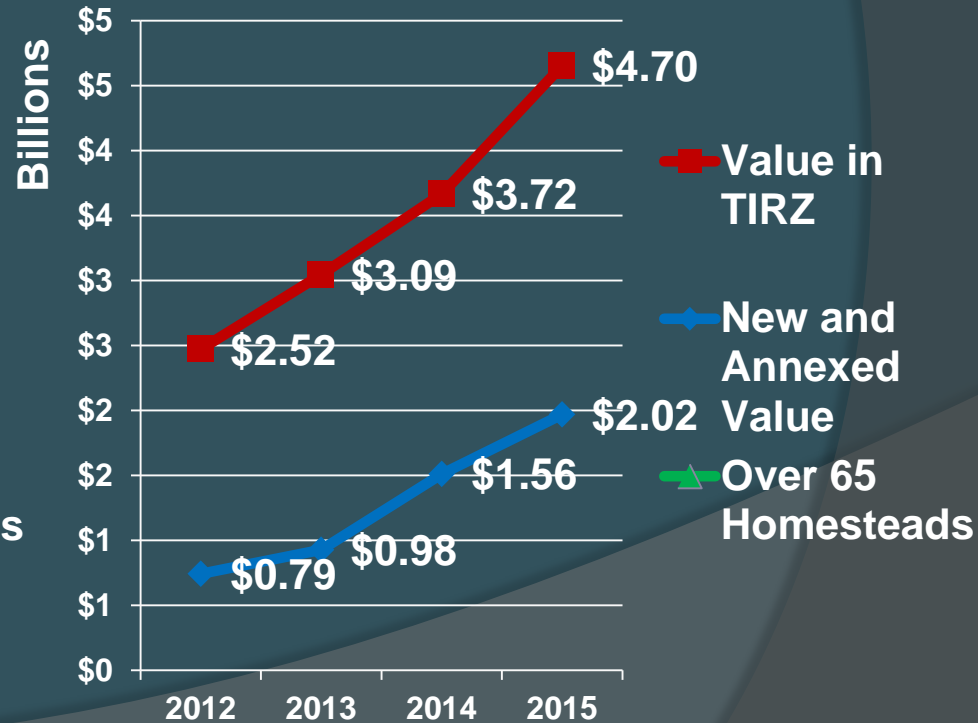
City of Dallas and Dallas County

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Dallas County



City of Dallas



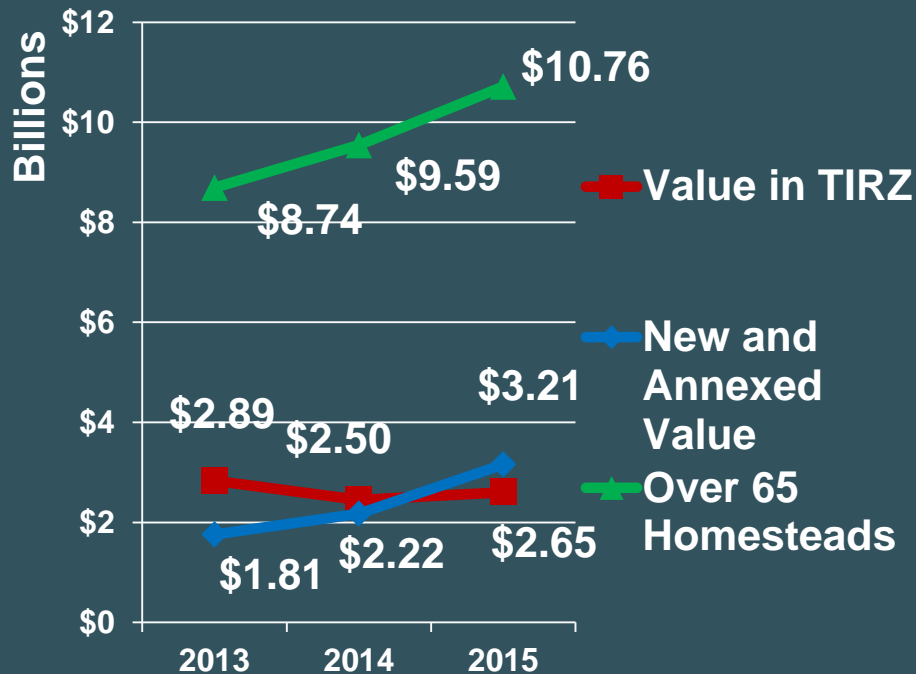
Source: Property value and tax rate data provided by Dallas County Tax Office from the Effective and Rollback Tax Rate Worksheets. Property value that has an over 65 or disabled tax ceiling is included in the taxable value.

TRUTH IN TAXATION: PROPERTY EXCLUDED FROM THE ROLLBACK CALCULATION 2012-2015

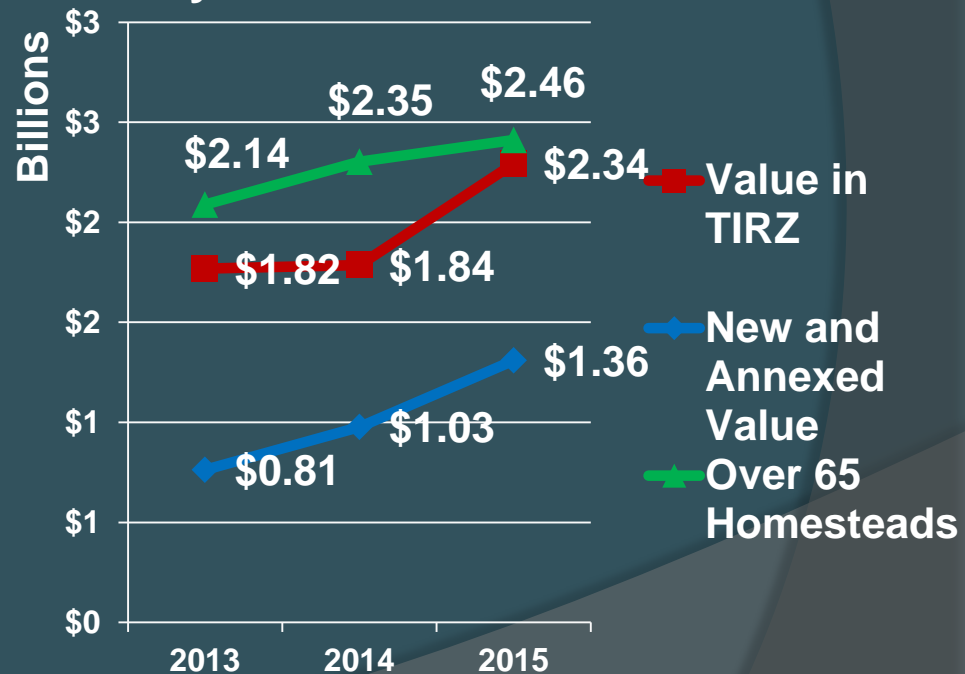
City of Fort Worth and Tarrant County

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 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 the 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	Houston	1,418,757	99,313
County	Harris	2,102,820	147,197

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	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

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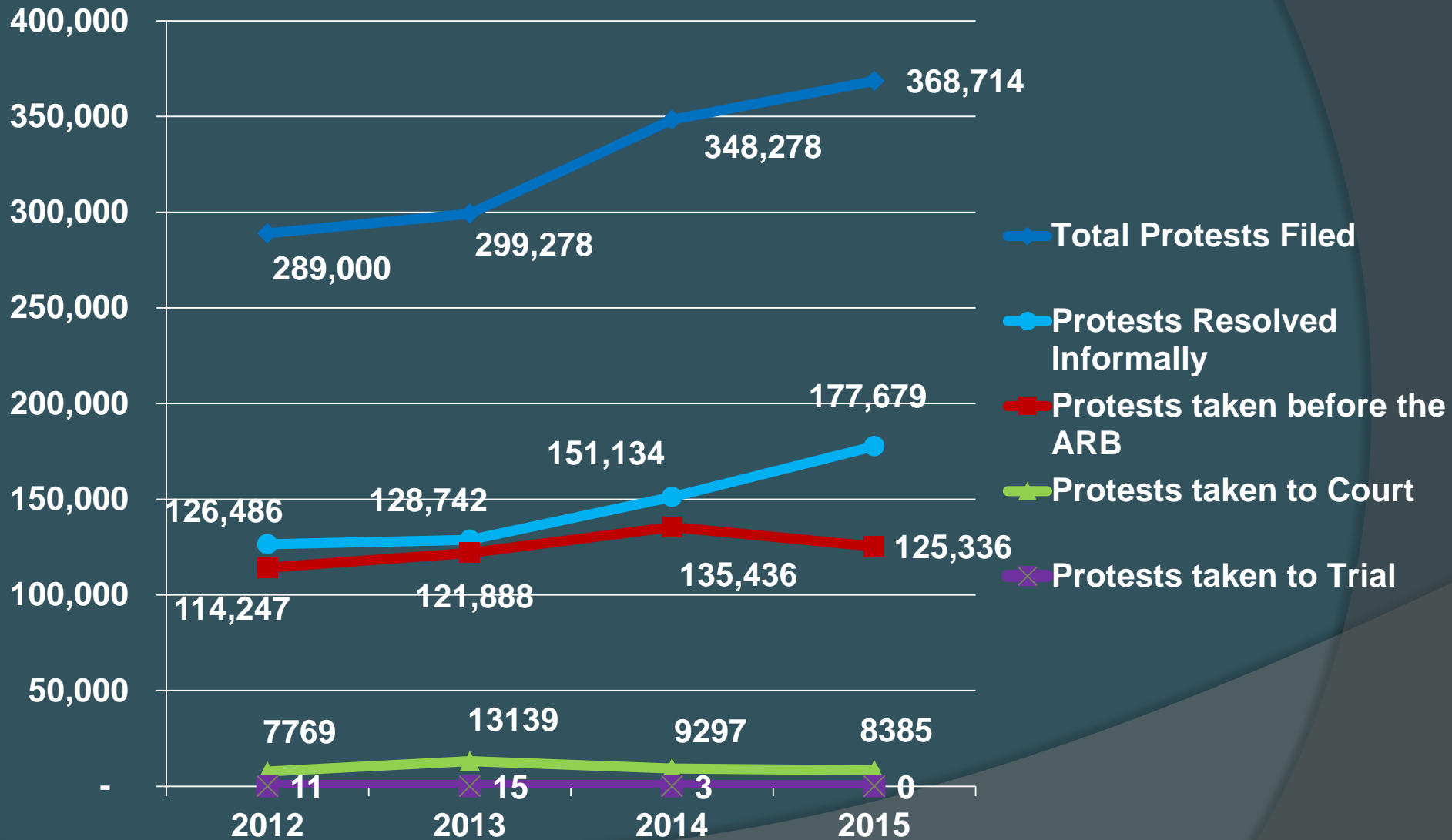
		Registered Voters	7% Petition Threshold
City	Fort Worth	444,681	31,128
County	Tarrant	1,019,633	71,374

Source: Texas Secretary of State

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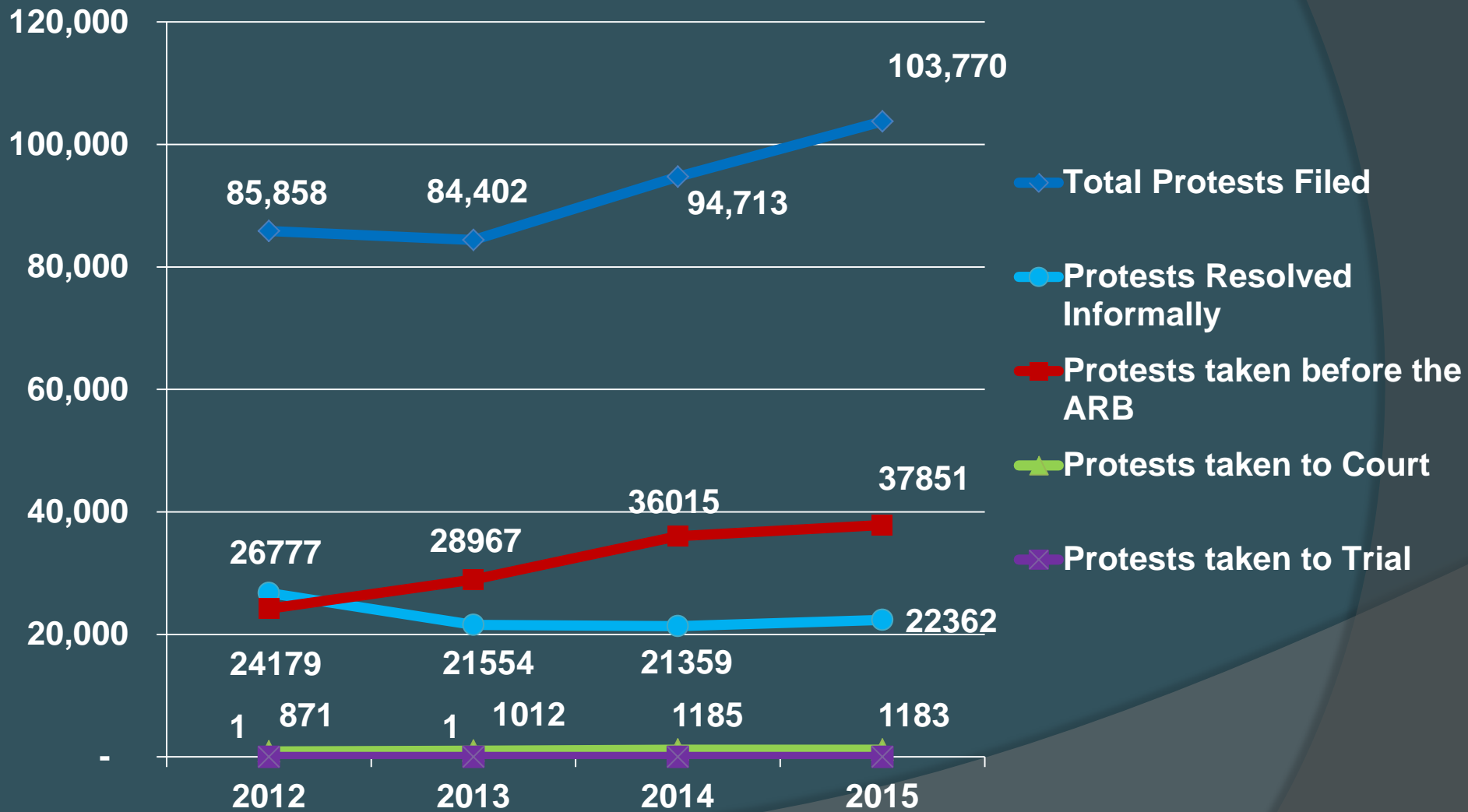
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THE PROPERTY TAX PROTEST PROCESS: Data from Harris County



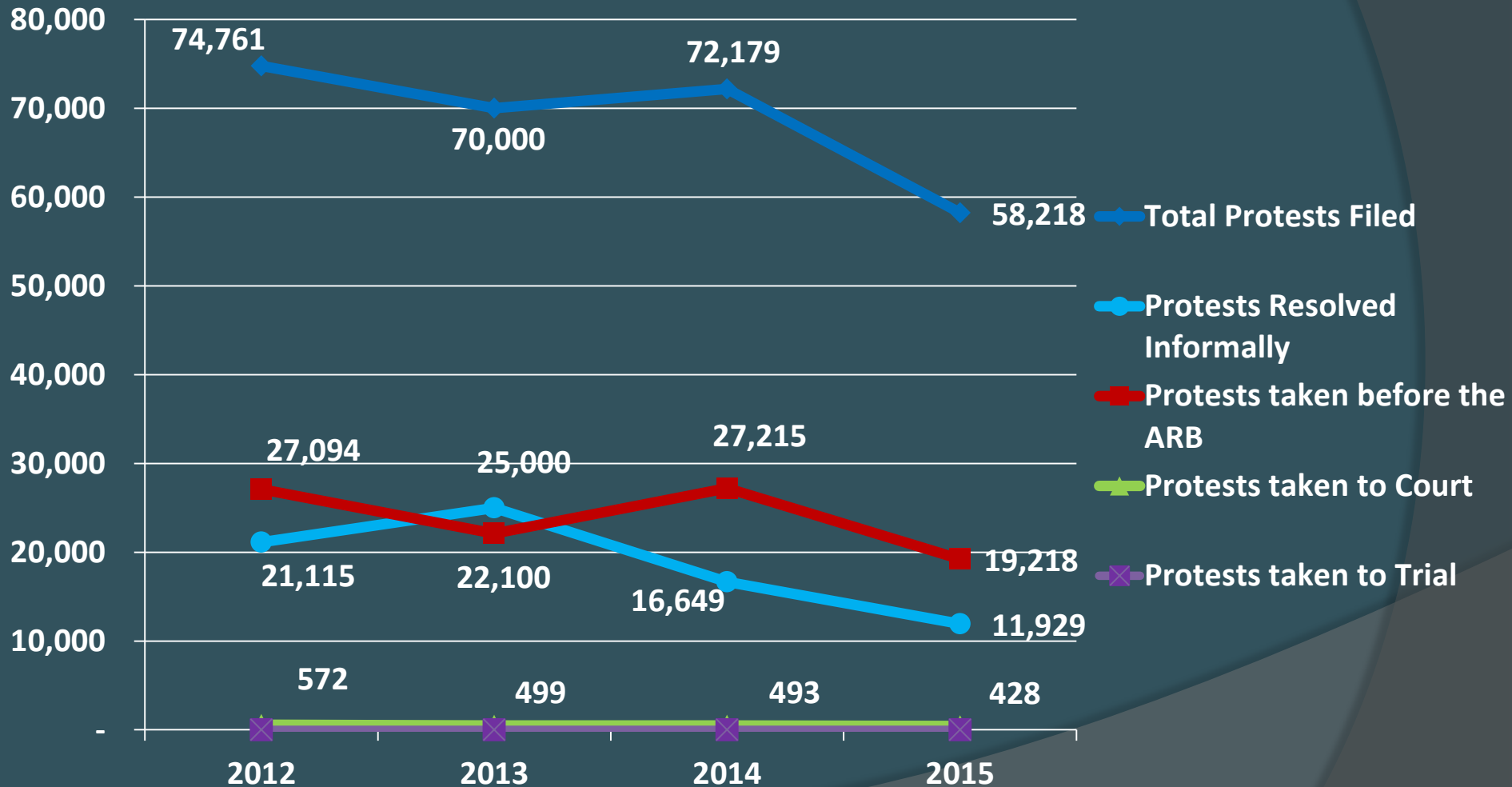
Source: Source: Protest data provided by Dallas Central Appraisal District

THE PROPERTY TAX PROTEST PROCESS: Data from Dallas County



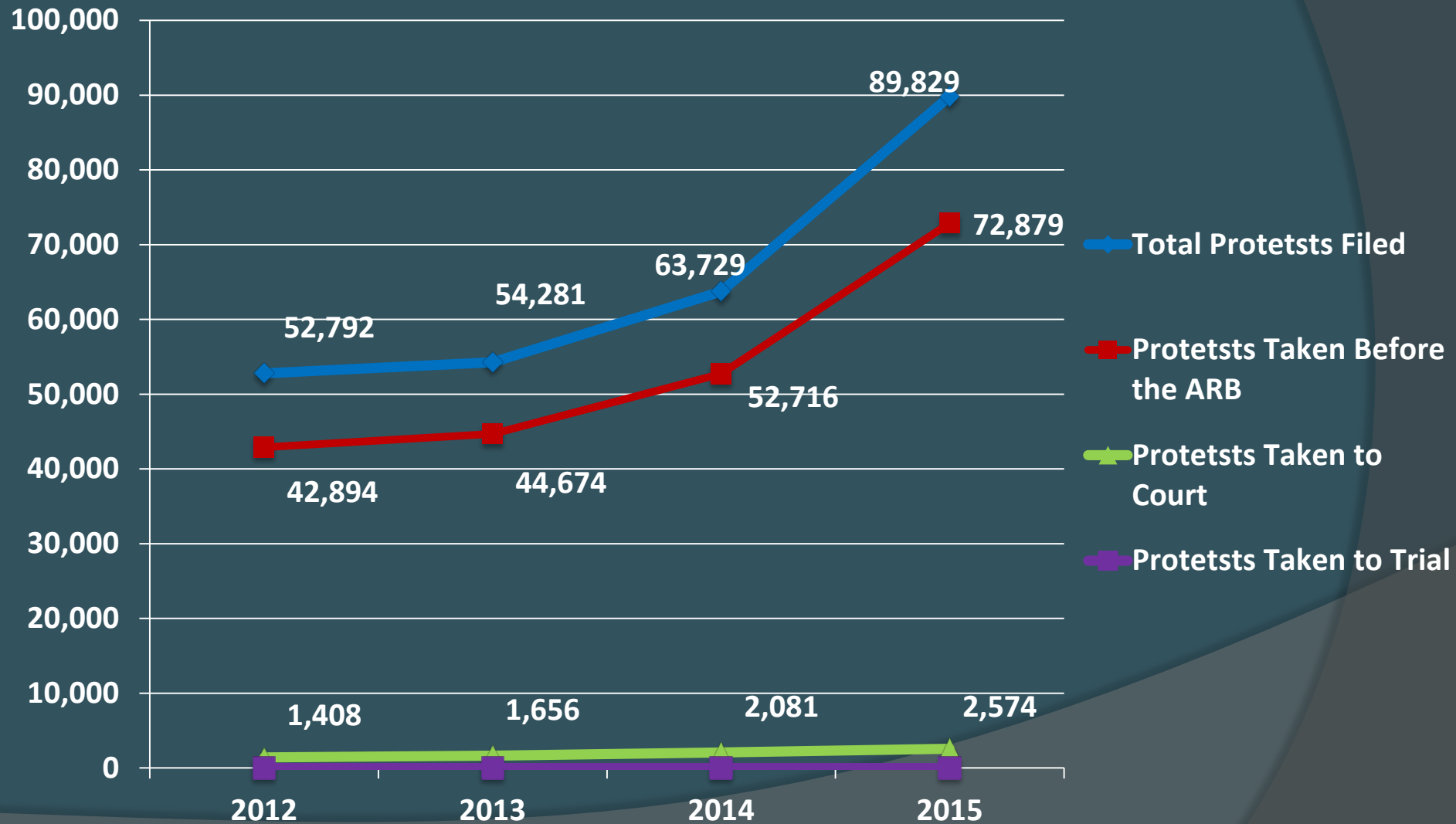
Source: Source: Protest data provided by Dallas Central Appraisal District

THE PROPERTY TAX PROTEST PROCESS: Data from Tarrant County



Source: Source: Protest data provided by Tarrant Appraisal District

The Property Tax Protest Process: Data from Bexar County





Senate Select Committee for Property Tax Reform & Relief



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