

State Fiscal Challenges/Opportunities

1. Property Taxes - end re-appraisal (!)
2. Econ Growth Acceleration with Fiscal Restraint
Room to Eliminate the Franchise Tax
3. Solid Basis for School Choice Fiscal Notes

<http://www.school-choice-fiscal-notes-calculator.net/>



1. Follow California and Oregon

Assessed Value for Resid Property Taxes =
Acquisition Value, with Inflation Adjustment

Saves Most of ~\$300 million/yr, statewide,
spent by Reappraisal Districts.

Substitutes More Important Fairness for
Less Important Fairness

Less Volatile Property Tax Revenue

No Net Loss in Taxable Value (!!)

Follow CA and OR cont.

No Net Loss in Taxable Value ??????!

“How can it [re-appraisal] not increase taxable value?”

- A. Re-appraisal decreases renovation; doubles cost over 20 years; which spills over into lower neighborhood taxable values.
- B. Protection against re-appraisal-based tax hikes, increases demand for property.
- C. Under appraisal to reduce protest costs.



2. Follow/Improve Upon Colorado's Formula for Fiscal Restraint

Like Colorado, cap State and Local Spending Growth at Population + Inflation

Add a 'Real' Budget Stabilization Fund; cap at 10% of Spending, or Higher.

Had we done that in the 2005 Legislative Session, we could have eliminated the Franchise Tax with only a 2% spending cut in FY 2010; smaller than the actual drop in General Revenue Fund spending.

3. School System Reform

Low Quality Fiscal Impact Analysis has been a Barrier to Enactment of Private School Choice Legislation.

Threat Addressed: <http://www.school-choice-fiscal-notes-calculator.net/>

Up and Running, but needs feedback to drive refinement: john.merrifield@utsa.edu



Policy Entrepreneurship Needed

Entrepreneurship entails risk, so I will further jeopardize my conservative credentials to recommend that we upgrade the Texas Charter School Law to at least what exists in Minnesota, California, or the District of Columbia.

My School System Reform Blog: <http://educationblog.ncpa.org/>

<http://www.school-choice-fiscal-notes-calculator.net/>

www.schoolsystemreformstudies.net - public, soon:

Blog, Academic Journal, Education Freedom Index