

Just the Facts: **Property Taxes in Texas' Most Populous** **Cities, Counties, and School Districts** *2nd Edition*



February 2022

By James Quintero and Anthony Jones



Texas Public Policy
Foundation

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Just the Facts:

Property Taxes in Texas' Most Populous Cities, Counties, and School Districts *2nd Edition*

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Introduction

Certain qualities distinguish Texas' property tax from any other revenue source. First, consider its size. In comparison to every other Texas tax, the property tax—which is only imposed and collected at the local level—is “the largest tax assessed in Texas” ([Texas Comptroller of Public Accounts, 2020, p. 1](#)). In fiscal year (FY) 2019, property taxes levied statewide exacted \$67.3 billion from the private sector. As a percentage of total tax revenues (\$136.1 billion), property tax revenues represented 49.43% of the whole. The next largest tax revenue source was the state sales tax, which reaped \$31.9 billion (25%) followed by the local sales tax, which generated \$9.4 billion (6.94%). All other state taxes combined brought in \$25.4 billion (18.63%). As evidenced by the data, Texas' property tax is uniquely burdensome.

Second, consider its ubiquity. **Table 1** indicates that there were 4,256 separate property taxing units in Texas in FY 2019. In the prior year, those entities tallied 4,139 ([Texas Comptroller of Public Accounts, 2020, p. 6](#)). The most common types were special purpose districts (+1,904) followed by cities (+1,082), school districts (+1,016), and counties (+254). Some combination of these entities overlap an individual property owner's residence or business for tax purposes.

Third, consider its complexity. The laws and systems surrounding Texas' property tax are notoriously complicated, oftentimes requiring a taxpayer to seek help through consultants, accountants, advocates, and attorneys. This is particularly true for commercial property owners who are subject to increased reporting requirements, made to navigate a more difficult valuation process, and must take into consideration special items, like exemptions and abatements. Together, it all makes for a profoundly cumbersome system that is unlike any other.

Fourth, consider its actual rate of growth, which far exceeds its preferred rate of growth (population growth plus inflation). To demonstrate this last point, the ensuing analysis examines property tax levy growth over the preceding five years in each of the top 10 most populous cities, counties, and school districts. Special districts were excluded due to their unique nature and boundaries. Selected jurisdictions govern well over half of Texas' population. The actual property tax increase observed in these areas from 2016 to 2020 is then contrasted with the growth of population and inflation over the same timeframe, providing the reader with an objective assessment of how fast taxes are actually growing versus how fast taxes would be growing under a more responsible fiscal rule.

The data is largely presented without commentary so that you—the reader—can see *just the facts!*

Table 1

Property Taxes in Texas by Taxing Unit Type

Taxing unit by type	2018			2019			% growth of tax levy 2018–2019
	# of taxing units	Tax levy	% of levy	# of taxing units	Tax levy	% of levy	
School districts	1,017	\$34,876,943,526	54.7%	1,016	\$36,246,476,295	53.9%	3.9%
Cities	1,075	\$10,387,752,412	16.3%	1,082	\$11,152,238,782	16.6%	7.4%
Counties	254	\$10,036,617,900	15.7%	254	\$11,000,571,285	16.4%	9.6%
Special districts	1,793	\$8,469,317,959	13.3%	1,904	\$8,887,185,733	13.2%	4.9%
TOTAL	4,139	\$63,770,631,797	100%	4,256	\$67,286,472,095	100%	5.5%

Note. Data from *Biennial Property Tax Report: Tax Years 2018 and 2019*, by Texas Comptroller of Public Accounts, 2020, p. 6 (<https://comptroller.texas.gov/taxes/property-tax/docs/96-1728.pdf>) and authors' calculations. Figures may not add due to rounding.

Key Points

- Property taxes levied by Texas' large, urban governments are growing faster than many people can afford.
- From 2016 to 2020, property taxes generally outstripped population and inflation in most of Texas' populous cities, counties, and school districts.
- The delta between the actual tax burden versus the preferred tax burden is wide, meaning added stress for the family budget.
- The data reveal that school districts' property taxes are the most out of balance.

Most Populous Cities

Property taxes imposed by Texas' largest city governments rose sharply over the past five years.

From 2016 to 2020, the top 10 most populous cities collected significantly more property tax revenue, with at least two reaping over a 50% increase. In most cases, the combined growth of population and inflation in these cities stood in the single digits. In some cities, like Laredo and Fort Worth, the difference between the two measures was less pronounced. In other cities, like Austin and Dallas, the delta was substantially larger, signaling a worsening taxpayer climate.

Tracking Trends: 2016–2020			
	Property tax	Population & inflation	Difference
Houston	45.9%	7.6%	38.3%
San Antonio	38.2%	4.3%	33.9%
Dallas	56.5%	6.4%	50.2%
Austin	69.8%	10.2%	59.5%
Fort Worth	33.6%	15.2%	18.5%
El Paso	51.0%	7.7%	43.3%
Arlington	37.3%	7.8%	29.5%
Corpus Christi	44.7%	5.4%	39.3%
Plano	36.5%	7.2%	29.3%
Laredo	22.4%	6.8%	15.6%

Figures may not add due to rounding.

Did You Know?

Many large cities in Texas actually shrank in population size from 2016 to 2020. In fact, Houston, San Antonio, Dallas, El Paso, Arlington, Corpus Christi, Plano, and Laredo each experienced some measure of population decline in the city proper. But while residents fled big cities, the areas immediately outside these jurisdictions often benefited from new growth.

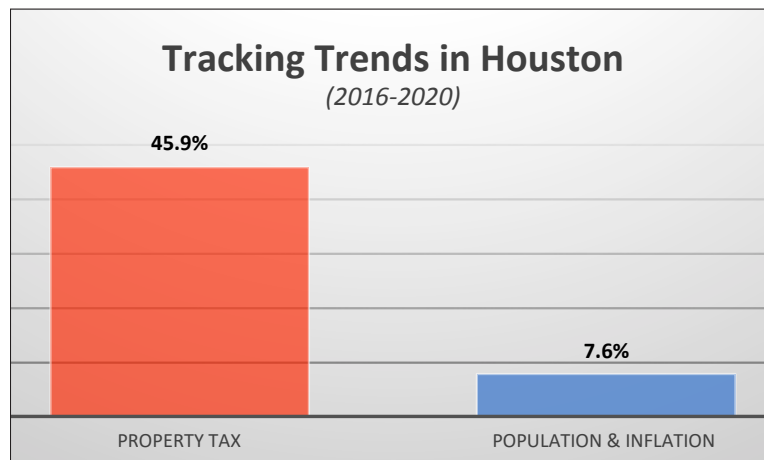
City of Houston

Tax Levy: From 2016 to 2020, the city of Houston's property tax levy increased from \$1.3 billion to \$1.9 billion, representing a growth of 45.9% ([Texas Comptroller of Public Accounts, n.d.-a](#); [Texas Comptroller of Public Accounts, n.d.-b](#), "2020 City Rates and Levies" section). *All figures in this section and forthcoming have been rounded to the nearest tenth.*

Population: From 2016 to 2020, the city's population shrank from 2,309,544 to 2,304,580, equating to a 0.2% decrease ([Census Bureau, 2020a](#); [Texas Demographic Center, n.d.-a](#)).

Inflation: From 2016 to 2020, inflation, as determined by the Consumer Price Index (U.S. city average, All items), climbed from 240.007 to 258.811, amounting to a 7.8% increase ([Bureau of Labor Statistics, n.d.](#)).

From 2016 to 2020, Houston's property tax burden jumped by 45.9%, while its population and inflation rose just 7.6%.



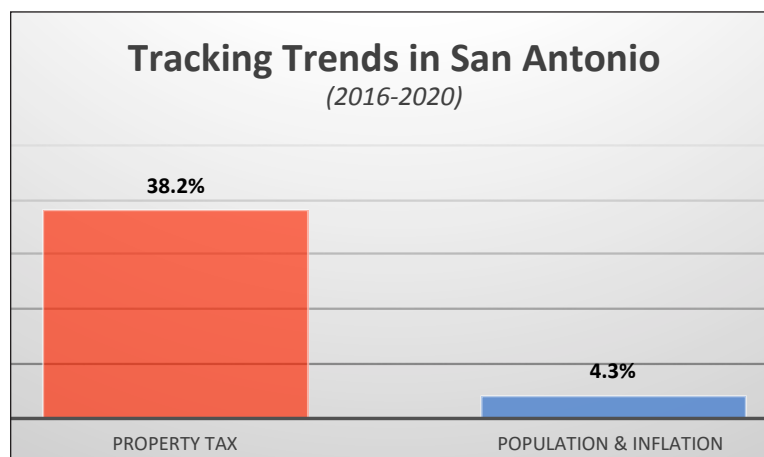
City of San Antonio

Tax Levy: From 2016 to 2020, the city of San Antonio's property tax levy increased from \$554.6 million to \$766.2 million, representing a growth of 38.2%.

Population: From 2016 to 2020, the city's population shrank from 1,487,843 to 1,434,625, equating to a decrease of 3.6%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, San Antonio's property tax burden jumped by 38.2% while its population and inflation rose just 4.3%.



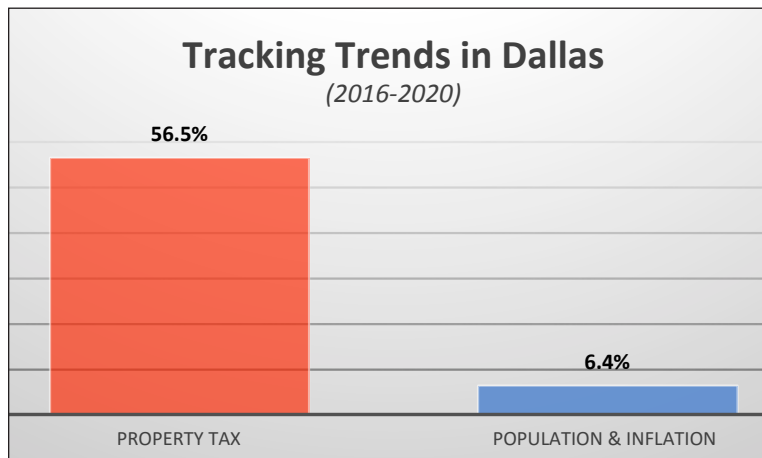
City of Dallas

Tax Levy: From 2016 to 2020, the city of Dallas' property tax levy increased from \$863.9 million to \$1.3 billion, representing a growth of 56.5%.

Population: From 2016 to 2020, the city's population shrank from 1,323,916 to 1,304,379, equating to a decrease of 1.5%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Dallas' property tax burden jumped by 56.5% while its population and inflation rose just 6.4%.



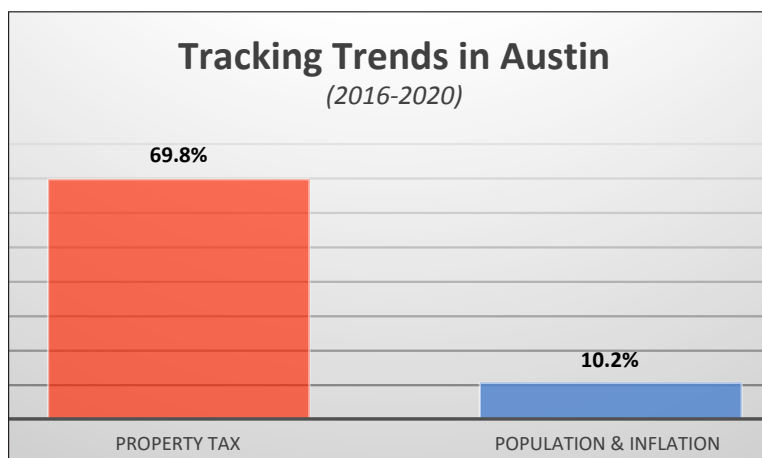
City of Austin

Tax Levy: From 2016 to 2020, the city of Austin's property tax levy increased from \$559.5 million to \$949.8 million, representing a growth of 69.8%.

Population: From 2016 to 2020, the city's population grew from 939,447 to 961,855, equating to an increase of 2.4%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Austin's property tax burden jumped by 69.8% while its population and inflation rose just 10.2%.



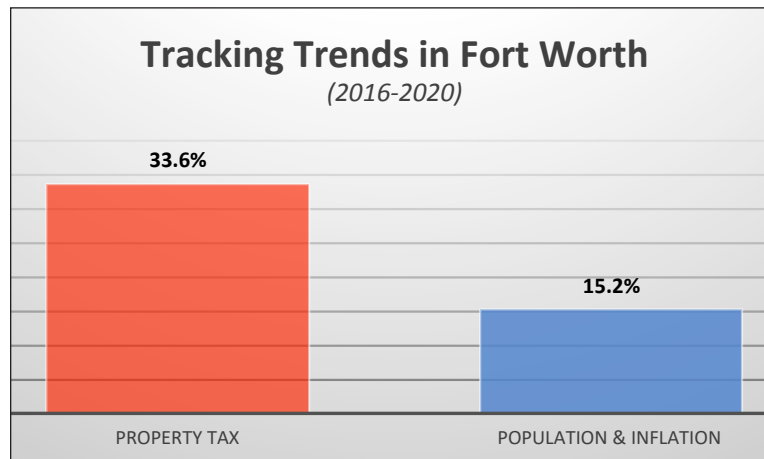
City of Fort Worth

Tax Levy: From 2016 to 2020, the city of Fort Worth's property tax levy increased from \$460.8 million to \$615.8 million, representing a growth of 33.6%.

Population: From 2016 to 2020, the city's population grew from 856,177 to 918,915, equating to an increase of 7.3%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Fort Worth's property tax burden jumped by 33.6% while its population and inflation rose just 15.2%.



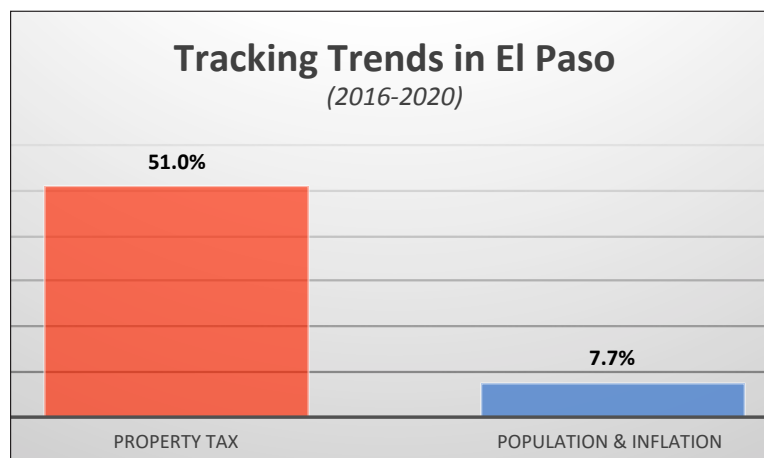
City of El Paso

Tax Levy: From 2016 to 2020, the city of El Paso's property tax levy increased from \$256.6 million to \$387.4 million, representing a growth of 51%.

Population: From 2016 to 2020, the city's population shrank from 679,955 to 678,815, equating to a decrease of 0.2%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, El Paso's property tax burden jumped by 51% while its population and inflation rose just 7.7%.



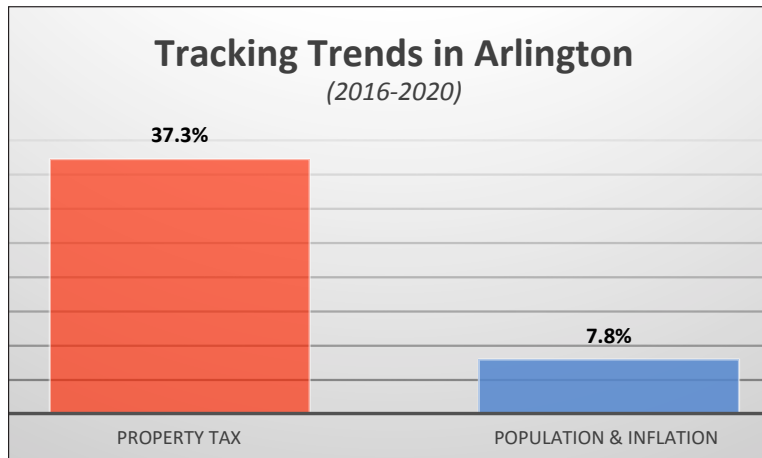
City of Arlington

Tax Levy: From 2016 to 2020, the city of Arlington's property tax levy increased from \$138.8 million to \$190.6 million, representing a growth of 37.3%.

Population: From 2016 to 2020, the city's population shrank from 394,384 to 394,266, equating to a decrease of 0.03%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Arlington's property tax burden jumped by 37.3% while its population and inflation rose just 7.8%.



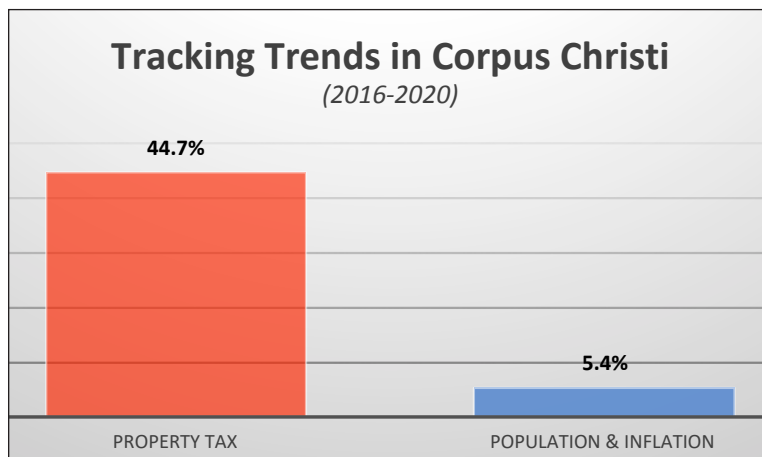
City of Corpus Christi

Tax Levy: From 2016 to 2020, the city of Corpus Christi's property tax levy increased from \$118.6 million to \$171.6 million, representing a growth of 44.7%.

Population: From 2016 to 2020, the city's population shrank from 325,786 to 317,863, equating to a decrease of 2.4%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Corpus Christi's property tax burden jumped by 44.7% while its population and inflation rose just 5.4%.



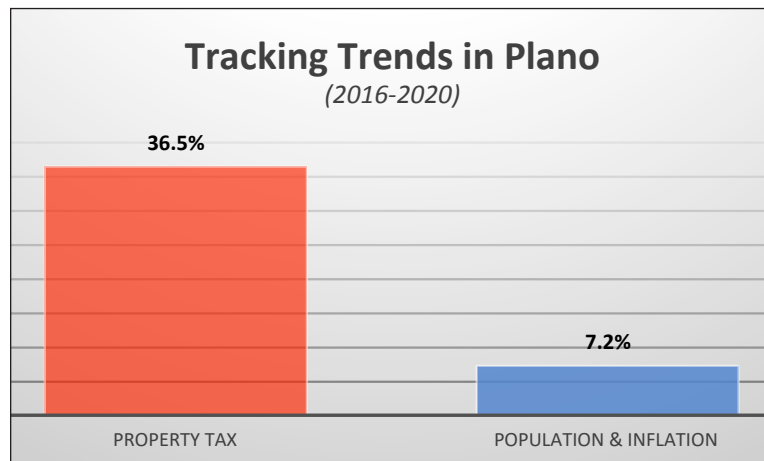
City of Plano

Tax Levy: From 2016 to 2020, the city of Plano's property tax levy increased from \$165.6 million to \$226.0 million, representing a growth of 36.5%.

Population: From 2016 to 2020, the city's population shrank from 287,269 to 285,494, equating to a decrease of 0.6%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Plano's property tax burden jumped by 36.5% while its population and inflation rose just 7.2%.



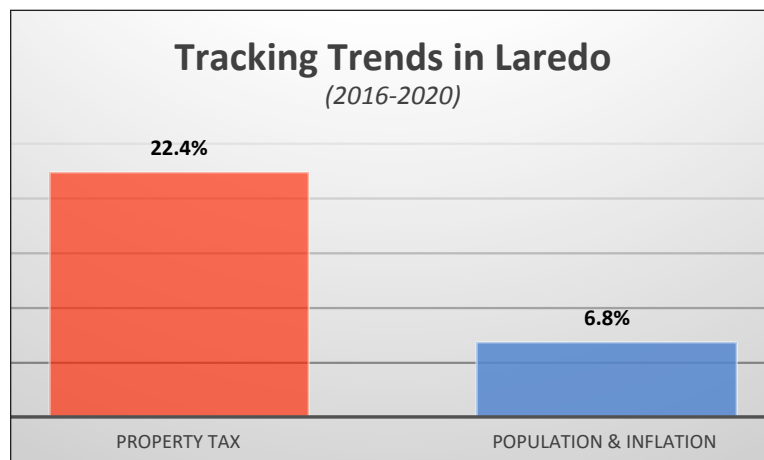
City of Laredo

Tax Levy: From 2016 to 2020, the city of Laredo's property tax levy increased \$79.6 million to \$97.5 million, representing a growth of 22.4%.

Population: From 2016 to 2020, the city's population shrank from 257,862 to 255,205, equating to a decrease of 1%.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Laredo's property tax burden jumped by 22.4% while its population and inflation rose just 6.8%.



Most Populous Counties

As with cities, property taxes imposed by Texas' large urban counties also experienced considerable growth over the past five years, albeit the difference between the actual rate of growth and the preferred rate of growth was not as pronounced with counties.

From 2016 to 2020, each of the state's 10 largest counties collected more in property taxes than population and inflation would have allowed. Some counties, like Hidalgo County, came very close to keeping tax growth reasonable. Other counties, like Denton County, experienced extreme growth in their tax levy, with it rising by 126.7% over the period. That increase contrasts sharply with its population and inflation growth of just 20%.

Tracking Trends: 2016–2020			
	Property tax	Population & inflation	Difference
Harris	38.5%	10.2%	28.4%
Dallas	52.6%	8.7%	43.9%
Tarrant	45.5%	12.1%	33.4%
Bexar	35.7%	12.1%	23.6%
Travis	55.5%	14.8%	40.7%
Collin	30.8%	20.6%	10.2%
Denton	146.6%	20.0%	126.7%
Hidalgo	14.6%	10.4%	4.2%
El Paso	41.7%	11.5%	30.2%
Fort Bend	30.0%	18.4%	11.6%

Figures may not add due to rounding.

Did You Know?

All of Texas' most populous counties experienced some level of population growth, but the bump in Dallas County was minimal. From 2016 to 2020, the number of county residents only slightly increased by 0.9%. In contrast, the fastest-growing urban county, Collin County, saw a 12.8% jump in the number of residents over the same time.

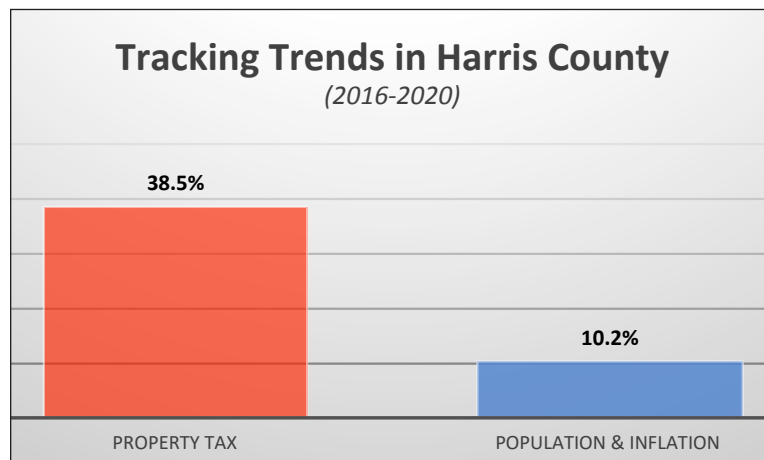
Harris County

Tax Levy: From 2016 to 2020, Harris County's property tax levy increased from \$1.8 billion to \$2.4 billion, representing a growth of 38.5% ([Texas Comptroller of Public Accounts, n.d.-a](#); [Texas Comptroller of Public Accounts, n.d.-b, "2020 County Rates and Levies" section](#)). All figures in this section and forthcoming have been rounded to the nearest tenth.

Population: From 2016 to 2020, the county's population grew from 4,623,960 to 4,731,145, equating to a 2.3% increase ([Census Bureau, 2020b](#); [Texas Demographic Center, n.d.-b](#)).

Inflation: From 2016 to 2020, inflation, as determined by the Consumer Price Index (U.S. city average, All items), climbed from 240.007 to 258.811, amounting to a 7.8% increase ([Bureau of Labor Statistics, n.d.](#)).

From 2016 to 2020, Harris County's property tax burden jumped by 38.5%, while its population and inflation rose only 10.2%.



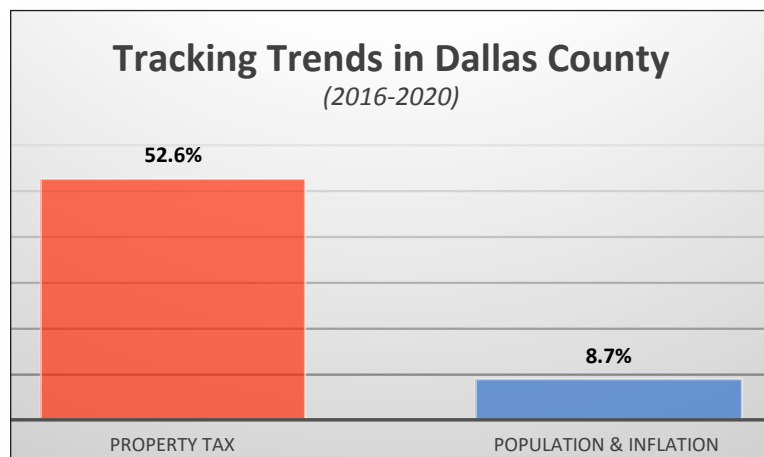
Dallas County

Tax Levy: From 2016 to 2020, Dallas County's property tax levy increased from \$505.0 million to \$770.8 million, representing a growth of 52.6%.

Population: From 2016 to 2020, the county's population grew from 2,591,488 to 2,613,539, equating to a 0.9% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Dallas County's property tax burden jumped by 52.6% while its population and inflation rose only 8.7%.



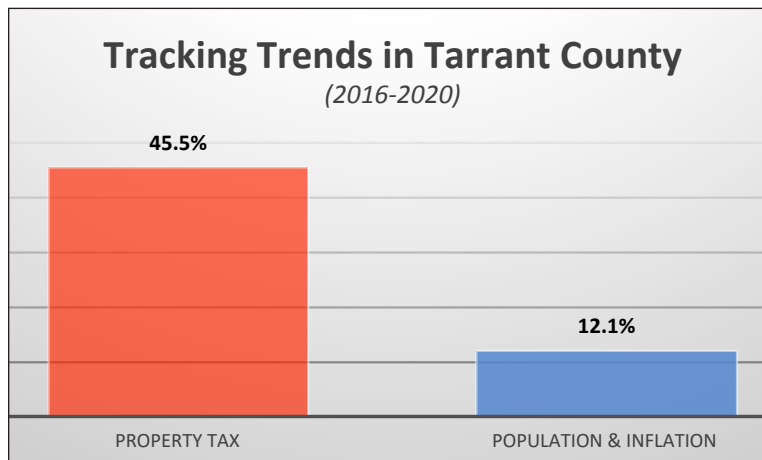
Tarrant County

Tax Levy: From 2016 to 2020, Tarrant County's property tax levy increased from \$398.1 million to \$579.3 million, representing a growth of 45.5%.

Population: From 2016 to 2020, the county's population grew from 2,023,556 to 2,110,640, equating to a 4.3% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Tarrant County's property tax burden jumped by 45.5% while its population and inflation rose only 12.1%.



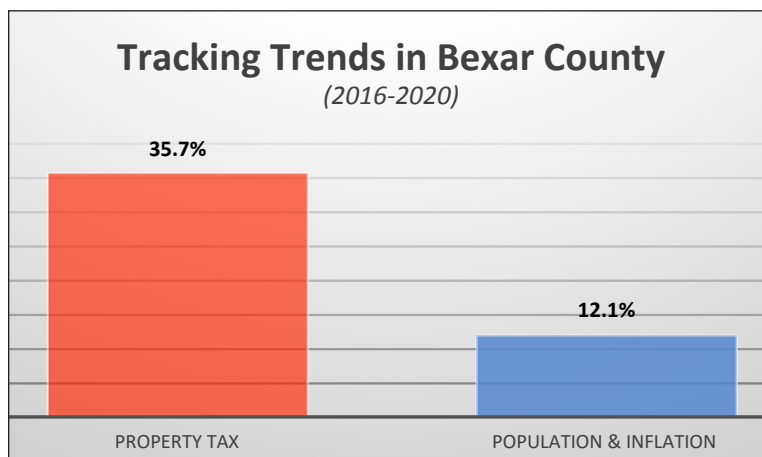
Bexar County

Tax Levy: From 2016 to 2020, Bexar County's property tax levy increased from \$432.4 million to \$586.8 million, representing a growth of 35.7%.

Population: From 2016 to 2020, the county's population grew from 1,927,651 to 2,009,324, equating to a 4.2% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Bexar County's property tax burden jumped by 35.7% while its population and inflation rose only 12.1%.



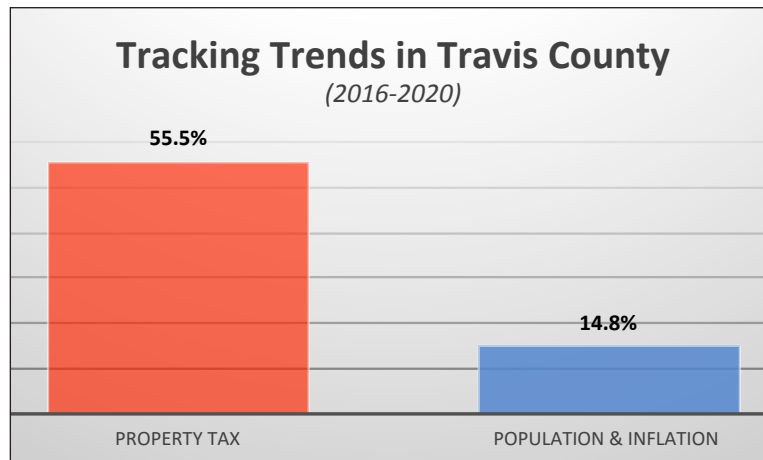
Travis County

Tax Levy: From 2016 to 2020, Travis County's property tax levy increased from \$599.0 million to \$931.4 million, representing a growth of 55.5%.

Population: From 2016 to 2020, the county's population grew from 1,206,110 to 1,290,188, equating to an 7% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Travis County's property tax burden jumped by 55.5% while its population and inflation rose only 14.8%.



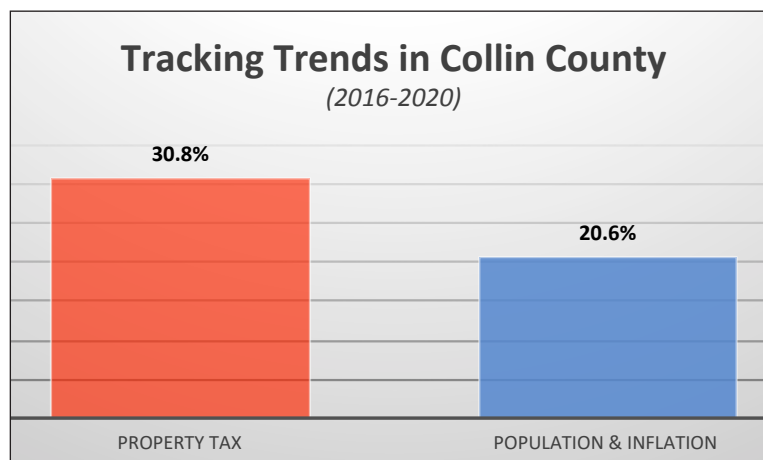
Collin County

Tax Levy: From 2016 to 2020, Collin County's property tax levy increased from \$227.2 million to \$297.1 million, representing a growth of 30.8%.

Population: From 2016 to 2020, the county's population grew from 943,742 to 1,064,465, equating to a 12.8% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Collin County's property tax burden jumped by 30.8% while its population and inflation rose only 20.6%.



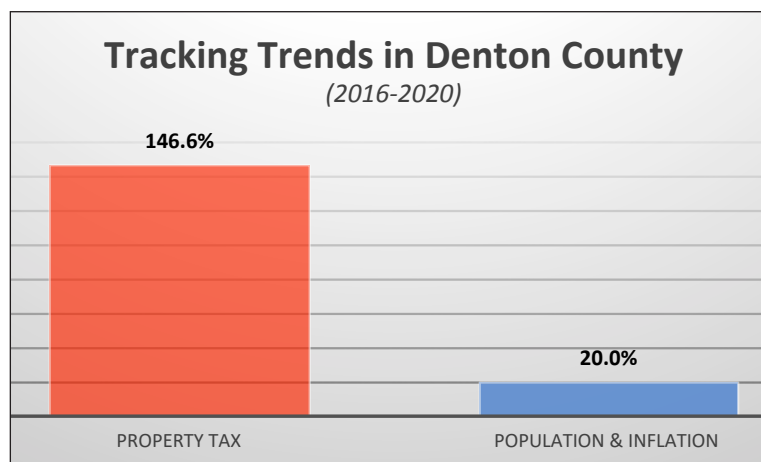
Denton County

Tax Levy: From 2016 to 2020, Denton County's property tax levy increased from \$194.3 million to \$479.3 million, representing a growth of 146.6%.

Population: From 2016 to 2020, the county's population grew from 808,212 to 906,422, equating to a 12.2% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Denton County's property tax burden jumped by 146.6% while its population and inflation rose only 20%.



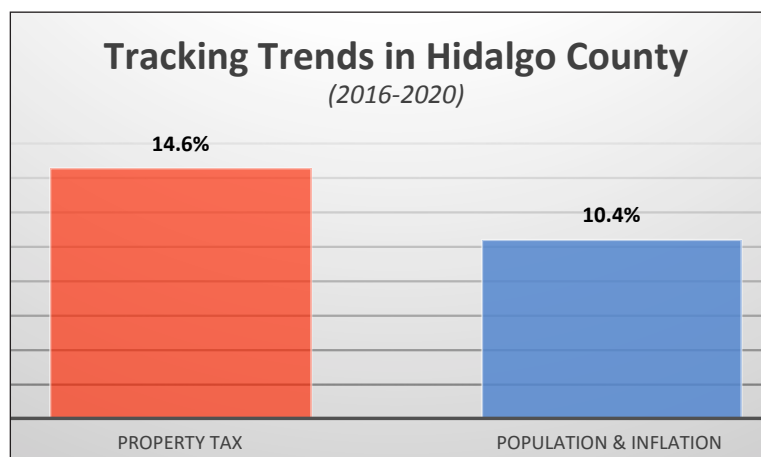
Hidalgo County

Tax Levy: From 2016 to 2020, Hidalgo County's property tax levy increased from \$191.7 million to \$219.6 million, representing a growth of 14.6%.

Population: From 2016 to 2020, the county's population grew from 848,960 to 870,781, equating to a 2.6% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Hidalgo County's property tax burden jumped by 14.6% while its population and inflation rose only 10.4%.



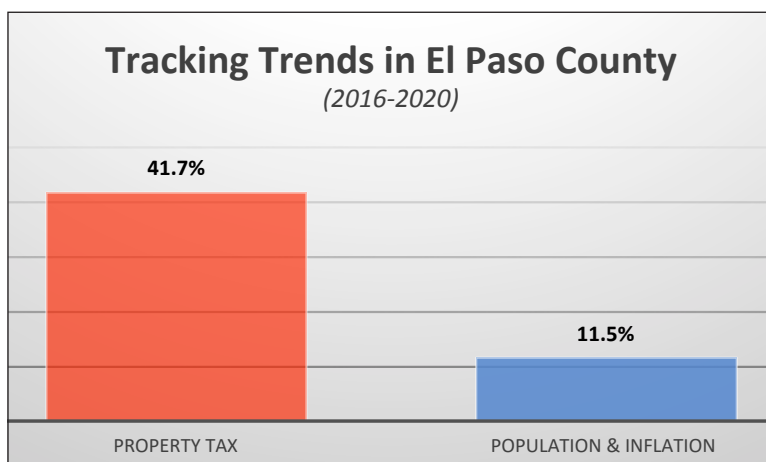
El Paso County

Tax Levy: From 2016 to 2020, El Paso County's property tax levy increased from \$178.2 million to \$252.5 million, representing a growth of 41.7%.

Population: From 2016 to 2020, the county's population grew from 834,949 to 865,657, equating to a 3.7% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, El Paso County's property tax burden jumped by 41.7% while its population and inflation rose only 11.5%.



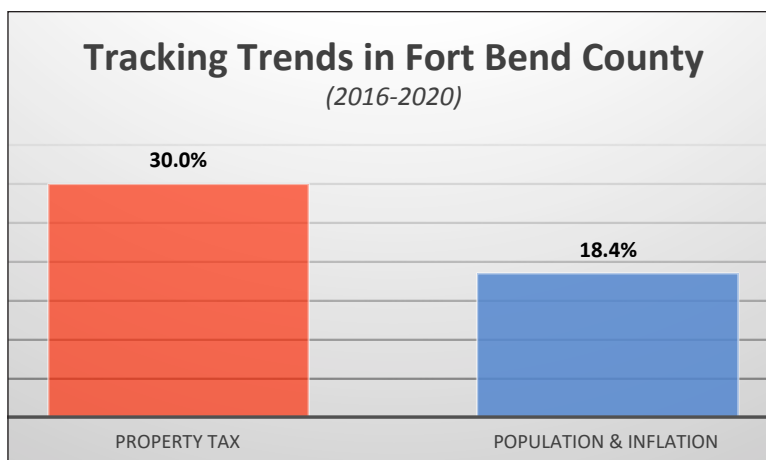
Fort Bend County

Tax Levy: From 2016 to 2020, Fort Bend County's property tax levy increased from \$279.5 million to \$363.3 million, representing a growth of 30%.

Population: From 2016 to 2020, the county's population grew from 744,160 to 822,779, equating to a 10.6% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Fort Bend County's property tax burden jumped by 30% while its population and inflation rose only 18.4%.



Most Populous School Districts

Compared with cities and counties, property taxes rose at a more modest rate in Texas' large school districts. In several cases, actual tax levy growth tracked well with or did not cover enrollment and inflation.

Still, it can be said that school district property tax levies grew more quickly than they could have. Certain ISDs, like Fort Worth and Dallas ISDs, levied property taxes well above enrollment and inflation. Others, like Houston and Austin ISDs, increased taxes even while their student enrollment fell. To be fair though, some districts, like Katy and Conroe ISDs, actually held taxes below the preferred rate, heralding welcome news for area homeowners and businesses.

Tracking Trends: 2016–2020			
	Property tax	Enrollment & inflation	Difference
Houston ISD	12.2%	5.3%	7.0%
Dallas ISD	40.0%	4.8%	35.1%
Cypress-Fairbanks ISD	16.1%	10.9%	5.2%
Northside ISD	23.7%	10.4%	13.3%
Katy ISD	15.4%	22.2%	-6.8%
Fort Worth ISD	40.6%	3.0%	37.6%
Austin ISD	33.4%	4.6%	28.9%
Fort Bend ISD	21.6%	14.2%	7.4%
Aldine ISD	20.5%	3.4%	17.2%
Conroe ISD	18.0%	19.1%	-1.1%

Figures may not add due to rounding.

Did You Know?

In 2019, the 86th Texas Legislature passed House Bill 3 ([2019](#)), which made sweeping changes to the school finance system. One key change now requires school districts to conduct efficiency audits “before a district seeks voter approval for increasing tax rates” ([Texas Education Agency, n.d.-a, p. 48](#)). Per state law, an efficiency audit is “an investigation of the operations of a school district to examine fiscal management, efficiency, and utilization of resources” ([Legislative Budget Board, 2020, p. 1](#)). It is hoped that these audits will help school districts better manage their money, publicize opportunities for them to improve, and boost public confidence if a tax rate increase is absolutely necessary.

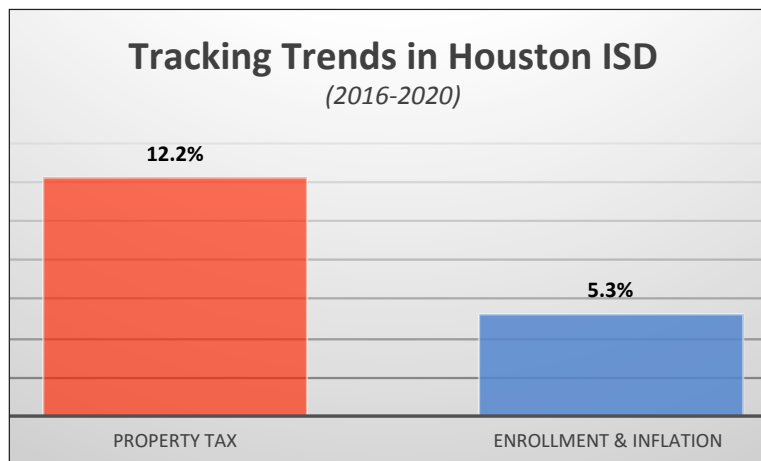
Houston ISD

Tax Levy: From 2016 to 2020, Houston ISD's property tax levy increased from \$2.0 billion to \$2.2 billion, representing a growth of 12.2% ([Texas Comptroller of Public Accounts, n.d.-a](#); [Texas Comptroller of Public Accounts, n.d.-b](#), "2020 School District Rates and Levies" section). *All figures in this section and forthcoming have been rounded to the nearest tenth.*

Enrollment: From 2015-16 to 2019-20, the district's student enrollment shrank from 215,627 to 210,061, equating to a 2.6% decrease ([Texas Education Agency, n.d.-b](#)).

Inflation: From 2016 to 2020, inflation, as determined by the Consumer Price Index (U.S. city average, All items), climbed from 240.007 to 258.811, amounting to a 7.8% increase ([Bureau of Labor Statistics, n.d.](#)).

From 2016 to 2020, Houston ISD's property tax burden rose by 12.2% while its enrollment and inflation increased only 5.3%.



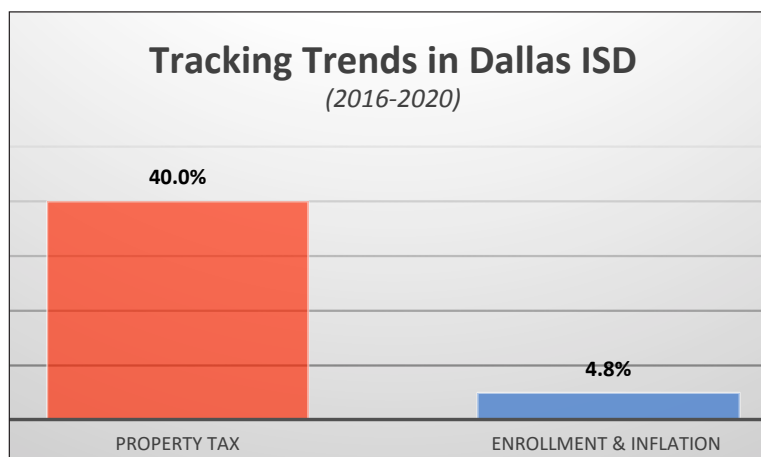
Dallas ISD

Tax Levy: From 2016 to 2020, Dallas ISD's property tax levy increased from \$1.3 billion to \$1.8 billion, representing a growth of 40%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment shrank from 158,604 to 153,861, equating to a 3.0% decrease.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Dallas ISD's property tax burden rose by 40% while its enrollment and inflation increased only 4.8%.



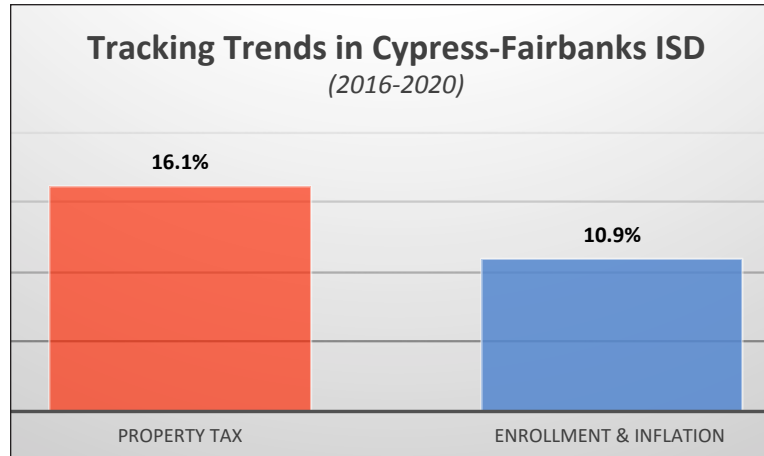
Cypress-Fairbanks ISD

Tax Levy: From 2016 to 2020, Cypress-Fairbanks ISD's property tax levy increased from \$667.3 million to \$774.8 million, representing a growth of 16.1%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment grew from 113,936 to 117,446, equating to a 3.1% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Cypress-Fairbanks ISD's property tax burden rose by 16.1% while its enrollment and inflation increased only 10.9%.



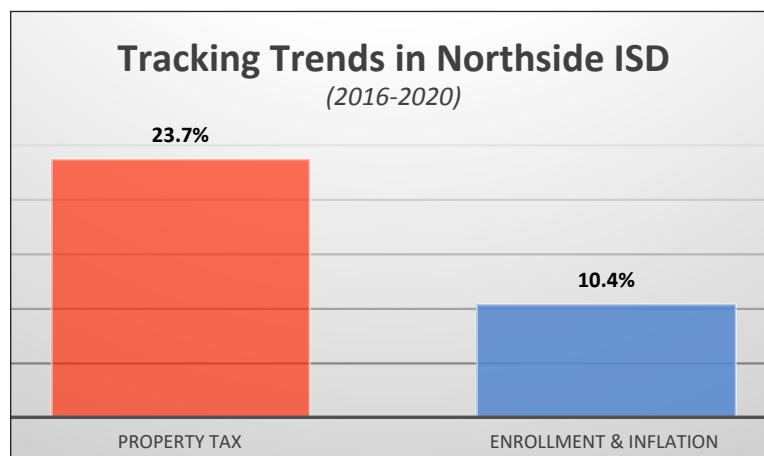
Northside ISD

Tax Levy: From 2016 to 2020, Northside ISD's property tax levy increased from \$649.6 million to \$803.6 million, representing a growth of 23.7%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment grew from 105,110 to 107,817, equating to a 2.6% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2014 to 2018, Northside ISD's property tax burden rose by 23.7% while its student population and inflation increased only 10.4%.



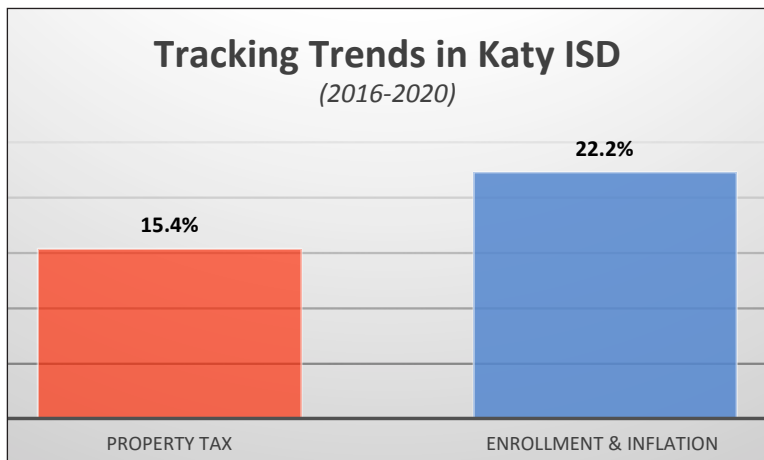
Katy ISD

Tax Levy: From 2016 to 2020, Katy ISD's property tax levy increased from \$538.4 million to \$621.0 million, representing a growth of 15.4%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment grew from 72,952 to 83,423, equating to a 14.4% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Katy ISD's property tax burden rose by 15.4% while its enrollment and inflation increased 22.2%.



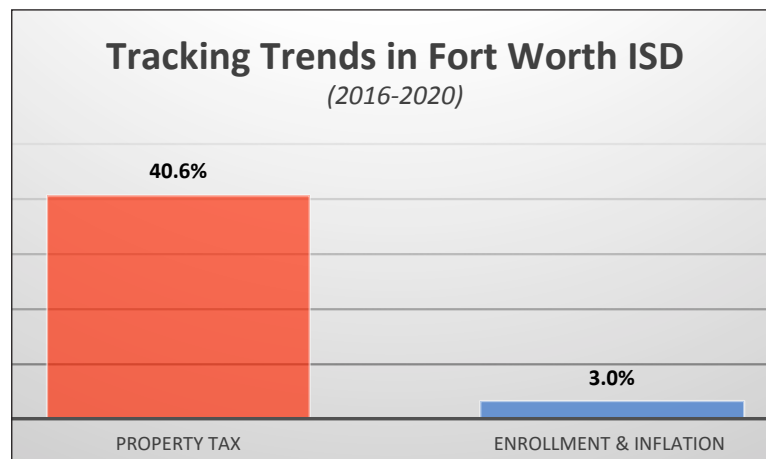
Fort Worth ISD

Tax Levy: From 2016 to 2020, Fort Worth ISD's property tax levy increased from \$418.8 million to \$589.1 million, representing a growth of 40.6%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment shrank from 87,080 to 82,891, equating to a 4.8% decrease.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Fort Worth ISD's property tax burden rose by 40.6% while its enrollment and inflation increased only 3%.



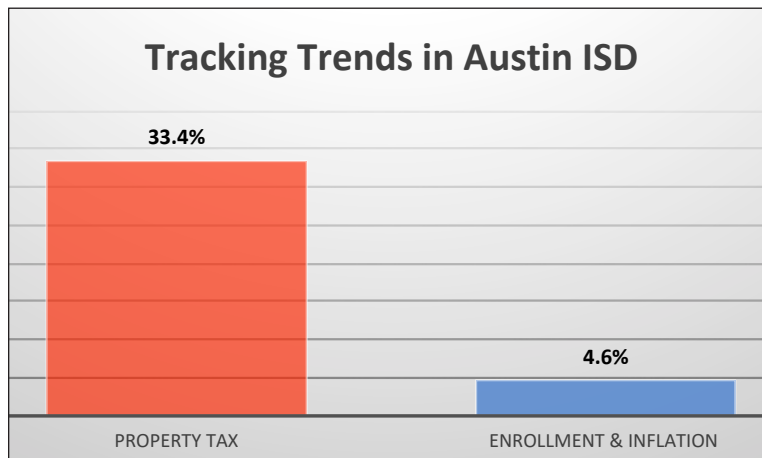
Austin ISD

Tax Levy: From 2016 to 2020, Austin ISD's property tax levy increased from \$1.2 billion to \$1.6 billion, representing a growth of 33.4%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment shrank from 83,648 to 80,911, equating to a 3.3% decrease.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Austin ISD's property tax burden rose by 33.4% while its enrollment and inflation increased only 4.6%.



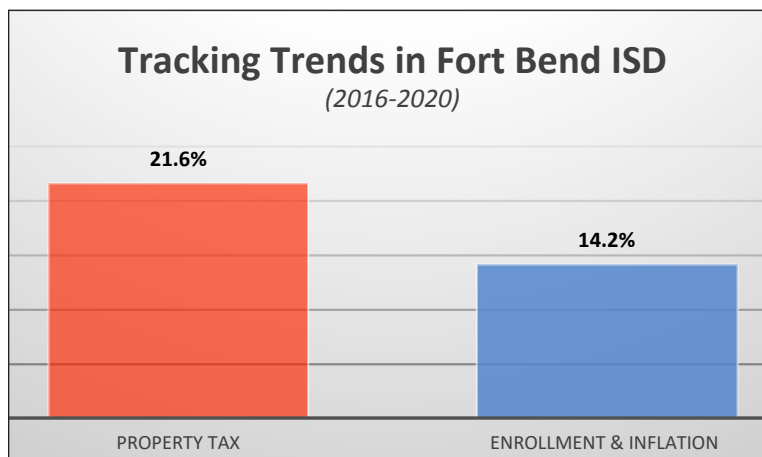
Fort Bend ISD

Tax Levy: From 2016 to 2020, Fort Bend ISD's property tax levy increased from \$463.4 million to \$563.5 million, representing a growth of 21.6%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment grew from 73,115 to 77,756, equating to a 6.3% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Fort Bend ISD's property tax burden rose by 21.6% while its enrollment and inflation increased only 14.2%.



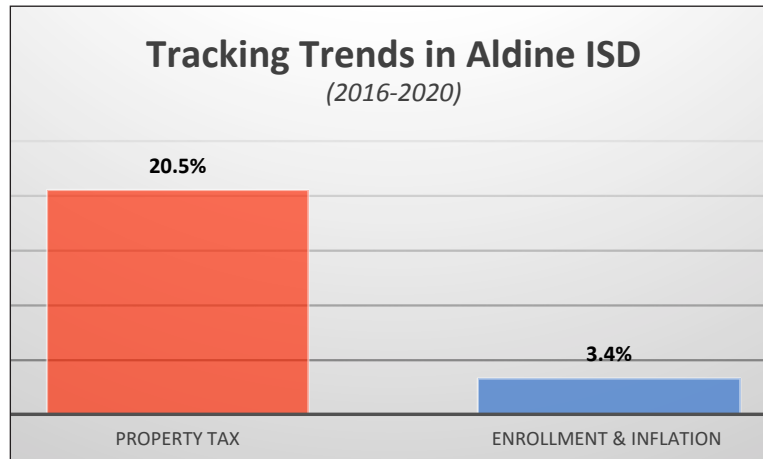
Aldine ISD

Tax Levy: From 2016 to 2020, Aldine ISD's property tax levy increased from \$255.2 million to \$307.6 million, representing a growth of 20.5%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment shrank from 70,417 to 67,259, equating to a 4.5% decrease.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Aldine ISD's property tax burden rose by 20.5% while its enrollment and inflation increased only 3.4%.



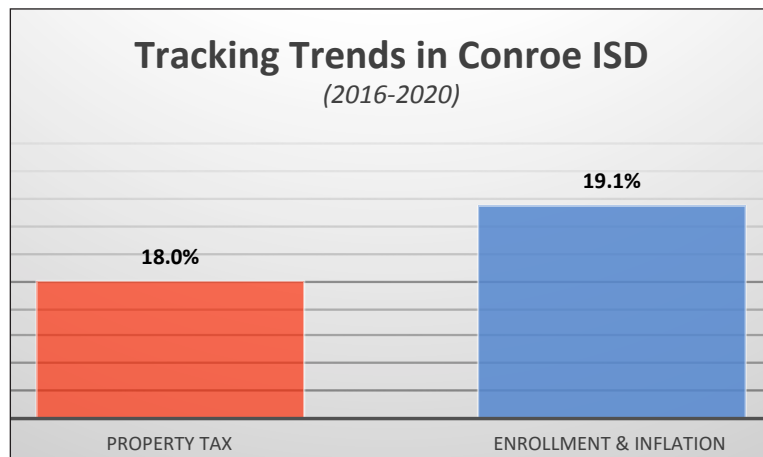
Conroe ISD

Tax Levy: From 2016 to 2020, Conroe ISD's property tax levy increased from \$414.2 million to \$488.7 million, representing a growth of 18%.

Enrollment: From 2015-16 to 2019-20, the district's student enrollment grew from 58,239 to 64,799, equating to an 11.3% increase.

Inflation: From 2016 to 2020, inflation climbed from 240.007 to 258.811, amounting to a 7.8% increase.

From 2016 to 2020, Conroe ISD's property tax burden rose by 18% while its enrollment and inflation increased 19.1%.



Recommendations

The data makes clear that property taxes are, in most cases, growing well above the preferred rate. In some especially obvious instances, the rapid rate of acceleration greatly outstripped the gains in traditional economic measures, like population and inflation. The resulting imbalance in tax levy growth versus population and inflation is creating unnecessary financial pressure in countless Texas households.

The 87th Texas Legislature took some productive steps to change the trajectory of property tax increases. For example, SB 1438 ([2021](#)) closed the disaster tax loophole that some local governments exploited in the wake of the COVID-19 pandemic to raise property taxes above the 3.5% annual limit without voter approval. In addition, the passage of HB 1869 ([2021](#)) offers some protection against local governments using certificates of obligation and other debt-related items to circumvent the new 3.5% limitation. These laws represent improvements to the system, but more is required to address excessive levy growth and spending.

A plethora of ways could improve Texas' property tax system; however, lawmakers should give priority to these measures.

First, reduce the voter-approval tax rate for cities, counties, and special districts. Under current law, most of these entities are required to seek voter approval for the adoption of a tax rate that will result in tax revenues growing beyond 3.5%. State lawmakers should consider lowering this threshold further, possibly even setting it at 0%. This would mean requiring cities, counties, and special districts to seek voter approval for any tax rate that increases the tax burden by any measure. Even if done on a temporary basis, this new requirement could force jurisdictions to better manage their funds or face voters with a request to increase taxes. At a minimum, the Legislature should seriously consider reducing its 3.5% tax limitation further. The current rate growth in tandem with difficult economic circumstances more than warrant such an adjustment.

Second, extend and enhance taxpayer protections. This can be achieved by requiring all property taxing units to conduct a third-party efficiency audit prior to asking voters for permission to increase taxes. A measure in this direction was considered in 2021 during the regular session, as seen in SB 1437 ([2021](#)). As the Foundation explained ([Quintero, 2021](#)), this bill required cities and counties that meet a certain population threshold to undergo an efficiency audit before holding a tax increase election. Although the bill failed to pass, it can serve as a model for future legislative efforts to inform the public of a locality's financial status prior to an attempt to raise property tax rates. The resulting transparency would equip taxpayers with a more comprehensive picture of their government's financial status and needs, enabling them to vote more confidently on whether to increase property taxes or not.

Third, apply the same tax limitation standards to all types of taxing units.. Under current law, certain types of local governments—like community colleges, hospital districts, and other smaller localities—retain the ability to raise property tax revenues by as much as 8% without voter approval. These local governments need not be treated differently. Instead, the same 3.5% standard should apply equally across all taxing units, especially where voter participation is concerned.

Fourth, prevent profligate spending. Placing reasonable limits on local government spending is one surefire way to reduce tax levies. Lawmakers can accomplish this goal by amending the Texas Constitution's existing Tax and Expenditure Limit (TEL) to also include city and county expenditures. This type of fiscal rule would limit local government expenditures to personal income growth, which is the current requirement for certain parts of the state budget. The same good government principles that ensure conservative fiscal policy at the state level should be applied to the local level as well, especially given the current state of affairs. To make the TEL even more potent and thereby offer taxpayers greater protection, the Legislature could stipulate that government expenditures are limited to the lesser of population growth and inflation or personal income.

These recommendations will help ease the rapid rise of property taxes in Texas' largest communities and strengthen the personal finances of millions of taxpayers throughout the Lone Star State. ★

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ABOUT THE AUTHORS



James Quintero is the policy director for the Government for the People campaign at the Texas Public Policy Foundation. Quintero focuses extensively on state and local government spending, taxes, debt, public pension reform, annexation, and local regulations. His work has been featured in the *New York Times*, *Forbes*, the *Huffington Post*, Fox News, and Breitbart. He is currently a bi-weekly contributor to the *Austin American-Statesman*.

Quintero received an M.P.A. with an emphasis in public finance from Texas State University and a B.A. in sociology from the University of Texas at Austin. He currently serves on Texas State University's M.P.A. Program Advisory Council.

Quintero and his wife Tricia have five children, a Great Dane, and an exceptionally large grocery bill.



Anthony Jones is a policy scholar at the Foundation. In this role, he conducts research on public policy issues; assists the Foundation in academic publication; educates lawmakers and members of the public on Foundation research; and provides formal testimony to local, state, and federal entities. Prior to this position, Jones completed internships at both the Heritage Foundation and the Texas Public Policy Foundation.

Born and raised in Fairfax, Virginia, Jones graduated from Wyoming Catholic College with a B.A. in liberal arts. He has a passion for pro-life activism, theology, and mountain biking.

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