

# SWEET LITTLE LIES: HOW ISDS UNDERMINE TEXAS' TAX IMPACT DISCLOSURE STATEMENT AND WHAT CAN BE DONE TO STOP IT

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## KEY POINTS

- In 2019, the Texas Legislature passed HB 3 which, in part, required independent school districts to include a simple statement on every bond proposition, stating: "THIS IS A PROPERTY TAX INCREASE."
- Policymakers considered this transparency measure necessary after discovering some voters were not making the connection between new debt and new taxes.
- To continue borrowing uninterrupted, many ISDs have employed creative schemes to work around this requirement.
- Policymakers can strengthen the disclosure statement by accentuating the font; supplementing it with other details; extending its requirements to other political subdivision types; and incorporating a cost element.

## EXECUTIVE SUMMARY

This report examines the tax impact disclosure statement required of independent school districts and the reason for its creation. It also explores how officials are diluting its effect through misdirection, manipulation, and maladministration. Finally, several recommendations are offered to improve existing law and foster a more informed decision-making environment.

## INTRODUCTION

In 2019, the 86th Texas Legislature enacted House Bill 3 "to revise the public school finance system and to make other changes relating to public education" ([HB 3 Enrolled Bill Summary, 2019, para. 1](#)). Among other things, this landmark legislation included a requirement that independent school districts (ISDs) add a tax impact disclosure statement (TIDS) to every bond proposition alerting citizens to the likely fiscal consequence of an approved measure. Pursuant to [Subsection 45.003\(b-1\)](#) of the Texas Education Code, the law now mandates ISDs to include the following disclaimer on all bond propositions:

"THIS IS A PROPERTY TAX INCREASE."

This language was added out of concern that voters were not properly informed as to the tax impact of the debt being proposed. That is, some unknown number of voters appeared to misunderstand the relationship between new debt and new taxes, and consequently were suffering financially because of

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this knowledge gap. The confusion possibly stemmed from a failure to grasp that, generally, government borrowing requires extracting additional resources from the taxpaying public.

This problem was evidenced, in part, by a high-profile case involving an Austin resident who had difficulty affording the large and growing cost of local government. In a well-publicized interview, she said, “I’m at the breaking point...It’s not because I don’t like paying taxes...I have voted for every park, every library, all the school improvements, for light rail, for anything that will make this city better. But now I can’t afford to live here anymore” (Hawkins, 2014, paras. 3-4). Instances like this persuaded policymakers to improve the proposition language that voters interact with in the ballot box—but limited the change to ISD debt-related measures only.<sup>1</sup> Other types of local governmental entities were not subjected to this disclosure requirement.

While this minor transparency change should be noncontroversial and universally supported, it has instead been undermined through various ISD actions involving misdirection, manipulation, and maladministration. The effect of these subtle schemes has been to dull the statement’s influence and to enhance the odds of a bond’s passage. Listed below are a few examples of this anti-transparency activity.

### ***Misdirection—Drawing Attention Away From the TIDS***

One common way that ISDs undermine the TIDS is by drawing voters’ attention away from the personal and economic impact that would result from a measure’s passage. This sometimes takes the form of focusing voters’ attention on a promise that a measure will not impact the tax rate, which is a red herring since the TIDS is intended to spotlight the potential impact on a voter’s tax *bill*, not their tax *rate*. Due to the way that Texas’ property tax system operates, one’s tax rate can remain constant or

even be lowered by some negligible amount, and a homeowner’s or business’s tax bill can still grow. This is because of the relationship between tax rates and property values. A crude way to think about the interaction between these two variables is as such:

$$\text{Tax Rate} * \text{Property Value (less exemptions)} = \text{A Taxpayer's Tax Bill}$$

In the ideal, the relationship between a tax rate and a property’s taxable value is inversely proportional, meaning that as one increases, the other decreases in similar fashion. The see-saw nature of this relationship is needed to bring balance to one’s tax bill. However, when one variable (i.e., the tax rate) is maintained at the same or similar threshold for any extended period while the other variable (i.e., the property value) persistently increases, then the product (i.e., the tax bill) is primed for explosive growth.

Hence, the system is designed in such a way that the tax rate is only one variable in a larger equation. True, it serves an important function, but it is not the sole factor in determining the amount of taxes owed. Further, it is a variable that can be used to disguise a tax increase since, in today’s high value growth environment, a governmental entity can promise to hold the tax rate steady and still reap a great deal more in new revenue from the rise in taxable value growth. While ISDs understand these dynamics, they are banking on the average person’s unfamiliarity with the way the system works to pitch and pass bonds.

To provide some real-world context, consider the \$137.3 million bond proposed by Highland Park ISD (HPISD). Right now, the district’s official Instagram account proclaims that this single-item measure, to be decided in November 2024, will *not increase the tax rate*. It specifically states, “Texas law requires all school bond ballots to say ‘this is a property tax increase,’ even if the tax will remain the same. The

<sup>1</sup> The reason why the change was limited to only school district bond propositions was the nature of HB 3. The bill specifically dealt with public school finance.

November 5 bond referendum will not increase your tax rate and if you're 65 or older your taxes are frozen" ([Highland Park ISD, n.d.](#)). The district promotes a similar but more expansive version of this claim in a short accompanying video on the same webpage (see screen captures in **Figure 1 & 2** below). Left unmentioned is the fact that Dallas County, which is home to HPISD, experienced "a 15-16% increase in homes compared to last year" ([Mugavero, 2024, para.5](#)). When paired with an unchanged tax rate, as is implied in **Figure 2**, this fast-rising property value growth will likely produce a higher tax bill for the average individual. However, any notion that one's tax bill may rise as a result of the bond's passage is missing the materials promoted by the district.

**Figure 1**  
Highland Park ISD November 2024 Bond Claim #1



Source: Highland Park ISD [Instagram](#) page.

**Figure 2**  
Highland Park ISD November 2024 Bond Claim #2



Source: Highland Park ISD [Instagram](#) page.

In another instance, materials supporting New Braunfels ISD's (NBISD's) May 2024 \$313 million bond package echo a similar argument. Consider the landing page for the district's bond, which immediately confronts voters with a "no tax rate increase" declaration in big, bolded text ([New Braunfels ISD, n.d.](#)).

Elsewhere on its website, NBISD officials supplement the statement with another claim that takes aim at the TIDS, saying,

Although approval of NBISD '24 Bond will not increase New Braunfels ISD'S tax rate, state law requires that the statement 'THIS IS A PROPERTY TAX INCREASE' must appear as part of all public school district bond propositions pursuant to Section 45.003 (Texas Education Code) regardless of whether passage of the proposition would result in a tax rate increase, a tax rate decrease, or not impact the tax rate at all. Passage of NBISD '24 Bond would not increase New Braunfels ISD's I&S tax rate. ([New Braunfels ISD, n.d.](#))<sup>2</sup>

Thus, the average voter visiting the district's bond information website is presented with two distortions: the first dealing with the tax rate and the second dealing with the TIDS. But NBISD takes things a bit further, in that it also adds a bit of unnecessary exposition. In some ways, it is akin to a cigarette company adding its own commentary to any required disclaimer: "Cigarettes cause cancer. The government makes us tell you this point, even if it doesn't immediately cause cancer."

In yet another example, Humble ISD (HISD) defended its \$775 million bond package in May 2022 by suggesting it was duty-bound to include the TIDS, but reassured voters that its approval would not result in a tax rate increase. At the time of this paper's publication, on HISD's website, district officials state, "In compliance with new state law, bond ballot

<sup>2</sup> This exact quote is located at the bottom of the page under the FAQ, under the question, "Why does the ballot language say 'THIS IS A PROPERTY TAX INCREASE.'?"

**Figure 3**

New Braunfels ISD May 2024 Bond Claim



Source: New Braunfels ISD [Bond 2024](#) home page.

propositions must include the following statement: This is a property tax increase. Voters will see this language on all bond propositions; however, Humble ISD plans to keep the I&S tax rate at 35 cents, the same as it has been since 2008" ([Humble ISD, n.d.-a](#)). The district-provided explanation is revealing in at least two ways. First, it is obviously dismissive of the TIDS, despite the magnitude of borrowing proposed at the time. This is more curious given that the true cost of fully repaying the district's debt was estimated at \$1.3 billion when interest is accounted for ([Humble ISD, n.d.-b](#)). Second, the district's assertion that its interest and sinking (I&S) tax rate had held steady at \$0.35 per \$100 of value since 2008 is a tacit admission that it has imposed persistent tax increases, given the rapid growth in property values. Consider that HISD's ([2016, p. 132](#)) assessed value of residential units totaled \$7.4 billion in 2008. In every year from 2008 to 2023, assessed values experienced some level of growth. By 2023, assessed values had grown to slightly more than \$18 billion or almost 2.5 times its original measure ([Humble ISD, 2023, p. 138](#)).

Of course, Highland Park, New Braunfels, and Humble ISDs are far from isolated examples. Indeed, numerous other schools districts—like Birdville ISD ([n.d.](#)), Brock ISD ([n.d.](#)), Calallen ISD ([n.d.](#)), Clear Creek ISD ([n.d.](#)), Comal ISD ([n.d.](#)), Katy ISD ([n.d.](#)), Liberty Hill

ISD ([n.d.](#)), Pflugerville ISD ([n.d.](#)), Plano ISD ([n.d.](#)), and Wylie ISD ([n.d.](#))—have been observed to employ a similar strategy, drawing the public's attention to the tax rate when they should instead be more focused on a measure's influence on a person's tax bill.

#### ***Manipulation—Surrounding the TIDS with Extra Wording***

Another way ISDs undermine the TIDS is by manipulating the language that surrounds it. That is, districts are adding extra detail to the proposition language, which has the effect of softening its purpose. The recent bond package proposed by Austin ISD (AISD) offers one example of this tactic.

In November 2022, AISD sought voter approval for three propositions totaling \$2.4 billion, which included Proposition A: General purpose (\$2,316,025,000); Proposition B: Technology (\$75,541,000); and Proposition C: Stadiums (\$47,434,000) ([Austin ISD, n.d.](#)). Curiously, the district added a statement prefacing the TIDS such that it was no longer a standalone item. Instead, AISD's reengineered disclosure read, "REQUIRED STATEMENT FOR ALL SCHOOL DISTRICT BOND PROPOSITIONS PURSUANT TO SECTION 45.003, TEXAS EDUCATION CODE: THIS IS A PROPERTY TAX INCREASE" ([Austin ISD, 2022, pp. 4-5](#)).

**Figure 4**

Angleton ISD May 2022 Bond Claim

**ANGLETON INDEPENDENT SCHOOL DISTRICT - PROPOSITION A**

[ ] FOR ) THE ISSUANCE OF \$196,250,000 SCHOOL BUILDING BONDS  
          ) FOR THE CONSTRUCTION, ACQUISITION, REHABILITATION,  
          ) RENOVATION, EXPANSION, IMPROVEMENT AND  
          ) EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT, THE  
          ) PURCHASE OF THE NECESSARY SITES FOR SCHOOL  
          ) BUILDINGS, THE PURCHASE OF NEW SCHOOL BUSES, THE  
          ) RETROFITTING OF SCHOOL BUSES WITH EMERGENCY,  
[ ] AGAINST ) SAFETY AND SECURITY EQUIPMENT AND THE PURCHASE  
          ) OR RETROFITTING OF VEHICLES TO BE USED FOR  
          ) EMERGENCY, SAFETY, OR SECURITY PURPOSES, AND  
          ) LEVYING AND IMPOSITION OF TAXES SUFFICIENT TO PAY  
          ) THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE  
          ) COSTS OF ANY CREDIT AGREEMENTS. THIS IS A PROPERTY  
          ) TAX INCREASE. REQUIRED STATEMENT FOR ALL SCHOOL  
          ) DISTRICT BOND PROPOSITIONS PURSUANT TO SECTION  
          ) 45.003, TEXAS EDUCATION CODE.

Source: Angleton ISD 2022 [Voter Information Document](#).

Angleton ISD (AnISD) offers another example, except in reverse. In May 2022, district officials sought voter-approval for a \$196.3 million measure. The language presented to voters included the TIDS, as prescribed by law, but also immediately followed the statement with another softening statement, reading: "REQUIRED STATEMENT FOR ALL SCHOOL DISTRICT BOND PROPOSITIONS PURSUANT TO SECTION 45.003, TEXAS EDUCATION CODE" ([Angleton ISD, n.d.](#)). See **Figure 4** for the full text.

In both instances, the added language detracts from what would have otherwise been a clear statement, i.e. "THIS A PROPERTY TAX INCREASE" and draws the voter's attention away from the central message. It also implies that the TIDS is perfunctory and perhaps misattributed when in all likelihood, it is appropriate for the vast majority of tax-supported measures since governments must generally pay a premium for any money borrowed in the form of interest payments. Seeing as the government is required to pay back more money than it originally borrowed, and it has no money of its own, the taxpayer is

thereby committed to bearing the weight of these added payments. Thus, in the final analysis, any debt obligation requires taxpayers to shoulder a greater financial burden than they otherwise would have borne in the absence of any measure, meaning the TIDS is both relevant and applicable to almost any proposition where taxation is involved, with the possible exception of refunding bonds.

Of course, AISD and AnISD are not alone in such gamesmanship. Other school districts have recently employed a nearly-identical tactic, including Culberson County-Allamoore ISD ([n.d.](#)), Pearland ISD ([2024, p. 13](#)), and Thrall ISD ([n.d.](#)), among others. It is unclear whether school districts may be borrowing this idea from one another or whether some other external entity is promoting this concept behind the scenes. Regardless, the tactic undermines the integrity of the democratic process and cuts against the legislative intent, as it distorts the present environment and may embolden future duplicity if left unchallenged.

**Figure 5**  
Harris County Sample Ballot for Houston ISD Propositions A & B

General and Special Elections November 05, 2024 Harris County, Texas Elecciones Generales y Especiales 5 de noviembre del 2024 Condado de Harris, Texas		SAMPLE BALLOT BOLETA DE MUESTRA		Page 12 of 19 Página 12 de 19
<b>Houston Independent School District, Bond Election</b> Distrito Escolar Independiente de Houston, Elección de Bonos		<b>HOUSTON INDEPENDENT SCHOOL DISTRICT, PROPOSITION B</b> <b>DISTRITO ESCOLAR INDEPENDIENTE DE HOUSTON, PROPOSICIÓN B</b> THE ISSUANCE OF \$440,000,000 SCHOOLHOUSE BONDS BY HOUSTON INDEPENDENT SCHOOL DISTRICT FOR TECHNOLOGY EQUIPMENT AND SYSTEMS, TECHNOLOGY INFRASTRUCTURE, INSTRUCTION TECHNOLOGY AND THE IMPOSITION OF TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE. LA EMISIÓN DE \$440,000,000 EN BONOS ESCOLARES POR PARTE DEL DISTRITO ESCOLAR INDEPENDIENTE DE HOUSTON PARA SISTEMAS Y EQUIPOS TECNOLÓGICOS, INFRAESTRUCTURA TECNOLÓGICA Y TECNOLOGÍA PEDAGÓGICA, Y LA IMPOSICIÓN DE IMPUESTOS SUFFICIENTES PARA PAGAR EL CAPITAL Y LOS INTERESES DE LOS BONOS, ASÍ COMO LOS COSTOS DE CUALESQUIERA CONTRATOS DE CRÉDITO FIRMADOS EN RELACIÓN CON LOS BONOS. ESTE ES UN INCREMENTO EN EL IMPUESTO PREDIAL. <input type="checkbox"/> FOR A FAVOR <input type="checkbox"/> AGAINST EN CONTRA		<b>Huffman ISD, School Trustee, Position #7</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 7</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Julie Sullivan <input type="checkbox"/> Amanda West McGee
<b>HOUSTON INDEPENDENT SCHOOL DISTRICT, PROPOSITION A</b> <b>DISTRITO ESCOLAR INDEPENDIENTE DE HOUSTON, PROPOSICIÓN A</b> THE ISSUANCE OF \$3,960,000,000 SCHOOLHOUSE BONDS BY HOUSTON INDEPENDENT SCHOOL DISTRICT FOR NEW SCHOOL BUILDINGS AND RENOVATION AND EXPANSION OF EXISTING SCHOOL BUILDINGS (INCLUDING SAFETY AND SECURITY INFRASTRUCTURE FOR SUCH SCHOOL BUILDINGS), THE PURCHASE OF NECESSARY SITES FOR SCHOOL BUILDINGS AND THE IMPOSITION OF TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE. LA EMISIÓN DE \$3,960,000,000 EN BONOS ESCOLARES POR PARTE DEL DISTRITO ESCOLAR INDEPENDIENTE DE HOUSTON PARA NUEVOS EDIFICIOS ESCOLARES Y PARA LA REMODELACIÓN Y EXPANSIÓN DE LOS EDIFICIOS ESCOLARES EXISTENTES (INCLUIDA LA INFRAESTRUCTURA DE SEGURIDAD Y PROTECCIÓN DE DICHOS EDIFICIOS), LA COMPRA DE LOS TERRENOS NECESARIOS PARA LOS EDIFICIOS ESCOLARES Y LA IMPOSICIÓN DE IMPUESTOS SUFFICIENTES PARA PAGAR EL CAPITAL Y LOS INTERESES DE LOS BONOS, ASÍ COMO LOS COSTOS DE CUALESQUIERA CONTRATOS DE CRÉDITO FIRMADOS EN RELACIÓN CON LOS BONOS. ESTE ES UN INCREMENTO EN EL IMPUESTO PREDIAL. <input type="checkbox"/> FOR A FAVOR <input type="checkbox"/> AGAINST EN CONTRA		<b>Huffman ISD, School Trustee, Position #4</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 4</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Luke Hight <input type="checkbox"/> Andy Jung <input type="checkbox"/> Patrick Terry		<b>Klein Independent School District, School Trustee Election</b> <i>Distrito Escolar Independiente de Klein, Elección de Síndicos Escolares</i> <b>Klein ISD, Position 3</b> <i>Klein ISD, Posición 3</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Chris "CT" Todd <input type="checkbox"/> Natalie Pilkinton
<b>Huffman ISD, School Trustee, Position #5</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 5</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Sam Pier <input type="checkbox"/> Vernon Reed		<b>Huffman ISD, School Trustee, Position #6</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 6</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Layla Karasek <input type="checkbox"/> Joey Taylor <input type="checkbox"/> Josh Dawies		<b>Klein ISD, Position 4</b> <i>Klein ISD, Posición 4</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Dustin Creager <input type="checkbox"/> Benny R. Kinsey <input type="checkbox"/> Denise Morrison
<b>Huffman Independent School District, School Board of Trustee Election</b> <i>Distrito Escolar Independiente de Huffman, Elección de la Junta Directiva Escolar</i> <b>Huffman ISD, School Trustee, Position #4</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 4</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Justin "Bumpy" Wooldridge <input type="checkbox"/> Nicole Doerre Peters		<b>Huffman ISD, School Trustee, Position #5</b> <i>Huffman ISD, Síndico Escolar, Posición Nro. 5</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Wendy Sharp		<b>New Caney Independent School District, Trustee General Election</b> <i>Distrito Escolar Independiente de New Caney, Elección General de Síndicos</i> <b>New Caney Independent School District, Trustee, Position 3</b> <i>Distrito Escolar Independiente de New Caney, Síndico, Posición 3</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Angela Hoffart Tompkins
<b>New Caney Independent School District, Trustee, Position 4</b> <i>Distrito Escolar Independiente de New Caney, Síndico, Posición 4</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Layla Karasek <input type="checkbox"/> Joey Taylor <input type="checkbox"/> Josh Dawies		<b>New Caney Independent School District, Trustee, Position 5</b> <i>Distrito Escolar Independiente de New Caney, Síndico, Posición 5</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Dennis Alters <input type="checkbox"/> Danny Spears		<b>New Caney Independent School District, Trustee, Position 6</b> <i>Distrito Escolar Independiente de New Caney, Síndico, Posición 6</i> Vote for none or one Vote por ninguno o uno <input type="checkbox"/> Dennis Alters <input type="checkbox"/> Danny Spears

Source: Harris County [Sample Ballot](#), General and Special Elections November 2024.

### Maladministration—Burying the TIDS in a Wall of Text

A third way that ISDs frustrate tax transparency involves burying the TIDS in a wall of text. One example of this tactic is the \$4.4 billion bond package being proposed by Houston ISD (HISD).

In November 2024, Houston-area voters will decide on a “record-breaking” proposal that could see HISD effectively triple its principal debt outstanding<sup>3</sup>

(Desselle, 2024). The district’s proposal is divided into two parts: Proposition A (\$3,960,000,000) and Proposition B (\$440,000,000). Given the enormity of public debt, one might be tempted to think that informed consent would occupy a high place; however, the proposed ballot language brings that quality into question.

According to Harris County’s (n.d.) sample ballot, Propositions A and B are to be presented as seen

<sup>3</sup> The Texas Bond Review Board (n.d.) reports that Houston ISD’s principal debt outstanding was \$2,116,310,000 as of fiscal year 2023. The principal amount to be considered by voters in November is approximately \$4,400,000,000.

in **Figure 5**. Note the TIDS placement for each proposition. For both propositions, the statement intended to educate voters about the likely impact is buried in a wall of text bound to escape the average voter's attention. This is made worse by the fact that there is no distinguishing feature about the TIDS. It is a statement surrounded by words capitalized in a uniform manner and the English version is mashed between equally daunting paragraphs of legalese written in dual languages. Its effect is highly questionable, to say the very least.

It is unrealistic to expect voters to make prudent decisions about a wall of legal text with few discernible parts, especially with the most relatable element, i.e. the TIDS, inconspicuously layered in. Yet, whether intentionally or unintentionally, that is the situation in HISD. Of course, this maneuver takes place in other districts too. But what makes the HISD example particularly egregious is the size and cost of the items being proposed (i.e., \$4,400,000,000). That is tantamount to the GDP of a small nation, which should prompt government officials to strive for maximum transparency and public awareness. However, that does not appear to be the case in this instance.

## RECOMMENDATIONS

In 2019, policymakers created the TIDS with the expectation that the added disclosure would help voters understand that a connection exists between new debt and new taxes. One begets the other. However, since its original enactment, ISDs have utilized dubious methods—however small—to undercut its effectiveness and downplay its significance. The tactics have been damaging from a truth-in-debt perspective, especially when one or more is combined.

Given the workarounds and the ever-present need to promote informed decision-making, the following recommendations are offered in the service of improving the TIDS and preventing governmental entities from gaming the system.

- **Accentuate the TIDS:** To help it standout, policymakers should consider amending the Education Code so that the disclosure statement is **bolded** or underlined; in a different font **size** or **color**; or presented at the top of the proposition, center-spaced, and on a line of its own. Too, policymakers should consider requiring the proposition to be presented in normal uppercase and lowercase lettering, except for the accentuated TIDS language.
- **Supplement the TIDS:** Considering the persistent narrative around new debt and tax rates, policymakers should require school districts to prominently display on a bond program's primary website a fiscal impact statement that discloses the following information:
  - A typical homeowner's I&S-related tax bill as it presently exists;
  - A typical homeowner's I&S-related tax bill in the following fiscal year with the assumption that a bond proposition or package does not receive approval; and
  - A typical homeowner's I&S-related tax bill in the following fiscal year with the assumption that a bond proposition or package does receive approval.

As part of this additional disclosure, policymakers should insist that ISDs use precise measures to prevent the possibility of methodological manipulation. These measures should include:

- The average home's taxable value for the current and coming fiscal years;
- The current I&S tax rate, the expected minimum I&S rate that may be imposed and still properly service the debt in the coming fiscal year, and the expected I&S tax rate to result in the following fiscal year if a measure is approved by voters;

**Figure 6***Supplemental Information to Post Online: Example ISD*

Average Home Value in Example ISD			
	FY 2024 (current)	FY 2025 w/o Bond	FY 2025 with Bond
Average Home Taxable Value	\$300,000	\$330,000	\$330,000
I&S Tax Rate Per \$100 of Value	\$0.30	\$0.27	\$0.35
Estimated Tax Bill	\$900	\$891	\$1,155
Change From Prior Year		-\$9	\$255

- The estimated tax bill for a homeowner currently and with(out) a measure's passage; and
- The projected differences in one's tax bill from the current year to the next.

To better understand what this illustration might look like if created, an example has been provided in **Figure 6**. The item assumes that a home in Example ISD currently has a taxable value of \$300,000, which will increase by 10% in the following year. It then provides the current year's I&S tax rate (i.e., \$0.30 per \$100 of value) and projects a value for the coming fiscal year (i.e., \$0.27), assuming no further debt is approved and the taxing unit lowered its I&S tax rate to the minimum amount required to make satisfactory payment but nothing more. Furthermore, it provides the I&S tax rate value expected to be imposed if all measures are passed (i.e., \$0.35 per \$100 of value). With those variables defined, this supplemental disclosure can then educate people on their current I&S-related tax bill (i.e., \$900), their potential I&S-related tax bill assuming no passage (i.e., \$891), and their likely I&S-related tax bill assuming passage (i.e., \$1,155). This is the type of information that can supplement the TIDS and lead people to make better decisions about a bond or bond package.

- **Extend the TIDS:** Under current law, only school districts must include the TIDS on every bond proposition. While this is a positive development, there remains a need to extend this type of disclosure to all political subdivision types. The long-term goal should be for every voter-approved measure, including voter-approval tax rate elections (VATREs) and tax ratification elections (TREs), to include this simple statement.

- **Expand the TIDS:** In addition to any written text, policymakers should consider strengthening the TIDS by adding a quantitative element to the ballot itself. That is, the Texas Legislature should create a price tag component that requires all local governmental entities to include an informational box on the proposition divulging what the average homeowner can expect in the way of a tax increase, assuming passage of the measure. This item of information is only a single data point and would be included on the ballot itself.

Asking governmental entities to supply this information would not be a new venture. [Section 1251.052\(b\)\(3\)](#) of the Government Code already requires a political subdivision with at least 250 registered voters to create and disseminate a Voter Information Document (VID), and as part of that function, governmental entities must estimate the "maximum annual increase in the

amount of taxes that would be imposed on a residence homestead in the political subdivision with an appraised value of \$100,000 to repay the debt obligations to be authorized.” It is well within reason to suggest that this same data point, which is generated well in advance of election day, be transferred from the existing VID to the actual proposition. In so doing, policymakers could give voters some extra information with which to make an informed decision.

The TIDS concept is worthwhile and continues to serve an important function. However, ISDs are currently undermining the concept through various means, thereby blunting its effect and creating a need for reform. The changes suggested above would strengthen the TIDS and provide important information to voters to help them understand the fiscal implications to their decisions. Policymakers would do well to make these sorts of changes to ensure informed consent and sound decision-making. ■

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