

TAXPAYER PROTECTION PROJECT

# JUST THE FACTS:

Property Taxes in Texas' Most Populous Cities,  
Counties, and School Districts  
4th Edition

WRITTEN BY  
**John Bonura**  
April 2026



*Texas*  *Public*  
**POLICY FOUNDATION**

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# JUST THE FACTS:

## Property Taxes in Texas' Most Populous Cities, Counties, and School Districts 4th Edition

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### KEY POINTS

- **Property taxes are assessed** and collected by local governing bodies. The State does not levy a property tax.
- **Local governments levied** \$89.4 billion in property taxes in 2025.
- **The number of property taxing** units reached almost 5,000 in 2025.
- **School district tax levies** are the most burdensome. Special purpose districts are the most numerous type.

### INTRODUCTION

Property tax policy affects Texans on a daily basis, from the type of home they can afford to the amount of rent they pay to the level of equity they can accumulate and pass down to the next generation. However, despite its many different effects and influences, not many Texans understand the property tax system in full, and even fewer understand how their tax burden is calculated.

On the surface, the formula for determining the average Texas homeowner's tax bill is relatively simple: taxable value (less applicable exemptions) times total tax rate equals tax liability. The complexity lies within the variables of "taxable value" and "total tax rate."

Taxable value is comprised of the assessed value of the property minus any exemptions. Assessments are typically conducted by county appraisal districts, which are governed by appraisal boards. In certain prescribed circumstances (such as being a senior citizen, having a disability, or homesteading on the assessed property), a set amount may be excluded from the taxable value. For example, if a home is assessed at \$300,000 and the owner qualifies for \$100,000 in exemptions, then the hypothetical taxable value of the home would be \$200,000 ([Texas Comptroller, n.d.-a](#)).

This taxable value is multiplied by each taxing unit's total tax rate, which is the combination of its maintenance and operations (M&O) tax rate and its interest and sinking (I&S) tax rate. In some cases, these rates are governed by specific rules and restrictions, like the 50-cent debt limitation on school district I&S tax rates or the 3.5% voter-approval tax rate limit on most city, county, and special purpose district M&O revenue growth. The number of taxing units (which approached 5,000 in 2025), as well as the differing

standards governing rate adoption and revenue growth, has turned the simple calculation into a quagmire of overlapping taxing entities ([Texas Comptroller, n.d.-a](#)).

The purpose of this research paper is to simplify these complex systems for Texans and provide some objective insight into the tax trends experienced in large, urban areas. This will be achieved by examining the growth in tax levies in Texas’s most populous cities, counties, and independent school districts (ISDs), and comparing it to a “reasonable” growth rate, tied to population plus inflation. Changes in population and inflation (P&I) have been developed as a guideline because it is reasonable to assume that if population (or enrollment, as it applies to ISDs) grows and the dollar is weaker, then sustaining the burden of government may require more money. It is a quantifiable measure by which to assess the reasonableness of the growth of government.

Texans are under the jurisdiction of thousands of government entities that have taxing authority. Table 1 shows how much each type of district contributes to the state’s total property tax levy.

**Table 1**  
*Property Taxes by Taxing Unit Type, 2024 and 2025*

Unit Type	2024 Number of Units	2024 Tax Levy	2024 Percent of Levy	2025 Number of Units	2025 Tax levy	2025 Percent of Levy	Percent Levy Change from 2024 to 2025
<b>School District</b>	1,013	\$41,657,752,748	48.1%	1,013	\$41,654,584,549	46.6%	-0.01%
<b>City</b>	1,093	\$15,710,015,039	18.1%	1,092	\$16,733,869,888	18.7%	7%
<b>County</b>	254	\$15,729,755,794	18.2%	254	\$16,790,826,381	18.8%	7%
<b>Special District</b>	2,314	\$13,499,241,657	15.6%	2,503	\$14,266,804,030	16%	6%
<b>TOTAL</b>	<b>4,674</b>	<b>\$86,596,765,238</b>	<b>100%</b>	<b>4,862</b>	<b>\$89,446,084,848</b>	<b>100%</b>	<b>3%</b>

**Note.** Data from *Texas Rates and Levies*, Texas Comptroller of Public Accounts, n.d.-b (<https://comptroller.texas.gov/taxes/property-tax/rates/index.php>) and author calculations.

## MOST POPULOUS CITIES

Property tax levy growth is outpacing P&I in nearly all of Texas’s largest cities. This suggests that many municipalities are increasing tax levies beyond what population and inflation trends alone would justify. Overtaking the reasonable growth rate guideline should serve as an indicator to local officials to scrutinize their budget and operations for items that could be consolidated, reduced, or eliminated. Interestingly, each large city examined operates under home-rule authority, which provides “broad discretionary powers subject only to limitations enacted by the Legislature” ([Texas Attorney General, 2015, p. 2](#)). Under this permissive form of local government, municipal officials have a great deal of authority over their respective tax and spending processes, and, thus, are responsible for their present direction.

From 2021 to 2025, 8 of the top 10 most populous Texas cities levied property taxes in excess of P&I. Arlington had the highest overall increase with 38.7% growth, followed by Plano (33.5%), Austin (33.4%), Fort Worth (33%), Dallas (31.5%), Lubbock (26.3%), Corpus Christi (22.3%), and El Paso (20.7%). While Houston and San Antonio both had increases in their tax levies from 2021 to 2025, each remained below P&I, with Houston at 18.2% and San Antonio at 19.5%.

As shown in **Table 2**, property taxes levied by *all* municipal governments in Texas comprised 18.7% of the total tax levy in 2025. Notably, several cities (including Arlington, Plano, and Austin) exceeded the P&I benchmark by more than 5 percentage points, indicating sustained divergence from baseline growth.

**Table 2**

*Tracking Trends: Municipal Population, Inflation, and Tax Levy Changes, 2021 – 2025*

City	Population & Inflation	Property Tax Levy	Difference
Houston	22.3%	18.2%	-4.1%
San Antonio	25.6%	19.5%	-6.1%
Dallas	22.6%	31.5%	8.9%
Austin	27.1%	33.4%	6.3%
Fort Worth	27.9%	33%	5.1%
El Paso	18.5%	20.7%	2.2%
Arlington	24.1%	38.7%	14.6%
Corpus Christi	20.9%	22.3%	1.4%
Plano	20.2%	33.5%	13.3%
Lubbock	22.6%	26.3%	3.7%

**Note.** Data from, *Tax Rates and Levies*, by Texas Comptroller of Public Accounts, n.d. (<https://comptroller.texas.gov/taxes/property-tax/rates/index.php>); *Vintage 2024 Population Estimates*, by Texas Demographic Center, n.d. (<https://demographics.texas.gov/Estimates/>); *Consumer Price Index*, by U.S. Bureau of Labor Statistics, n.d. (<https://www.bls.gov/cpi/>)

**Note:**

Data from, *Tax Rates and Levies*, by Texas Comptroller of Public Accounts, n.d. (<https://comptroller.texas.gov/taxes/property-tax/rates/index.php>); *Vintage 2024 Population Estimates*, by Texas Demographic Center, n.d. (<https://demographics.texas.gov/Estimates/>); *Consumer Price Index*, by U.S. Bureau of Labor Statistics, n.d. (<https://www.bls.gov/cpi/>) are used as metrics for each section except for School Districts which uses *Student enrollment reports*, by the Texas Education Agency, n.d. (<https://rptsvr1.tea.texas.gov/adhocrpt/adste.html>)

## CITY OF HOUSTON

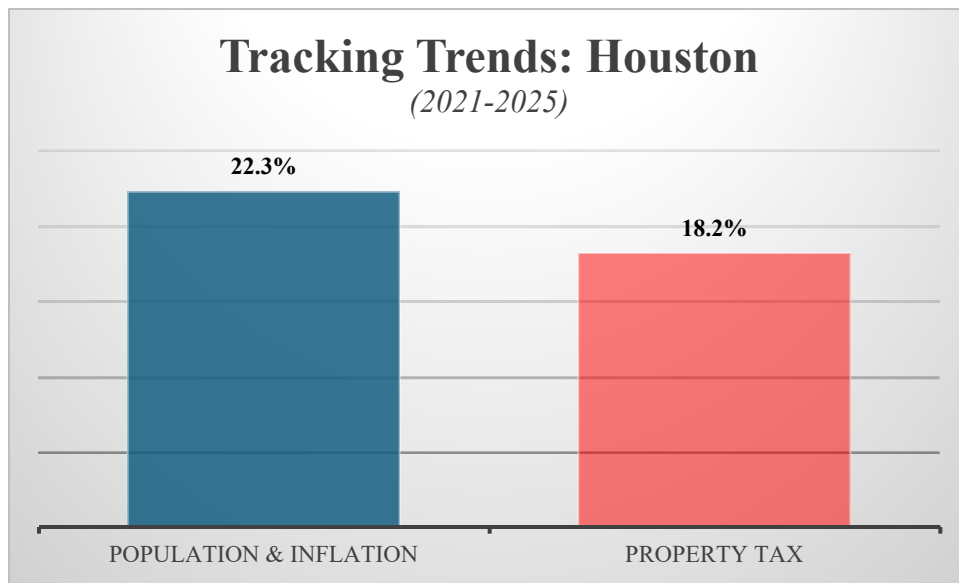
**Tax Levy:** From 2021–2025, the City of Houston’s property tax levy increased from \$1.48 billion to \$1.75 billion, representing an 18.2% increase ([Texas Comptroller of Public Accounts, n.d.-b](#)).

**Population:** From 2021–2025, the city’s population increased from 2,302,786 to 2,383,293, equating to a 3.5% increase ([Texas Demographic Center, n.d.](#)).

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase ([U.S. Bureau of Labor Statistics, n.d.](#)).

**Population and Inflation:** From 2021–2025, P&I increased by a combined 22.3%.

Therefore, property taxes levied by the City of Houston rose *more slowly than* P&I from 2021 to 2025.



## CITY OF SAN ANTONIO

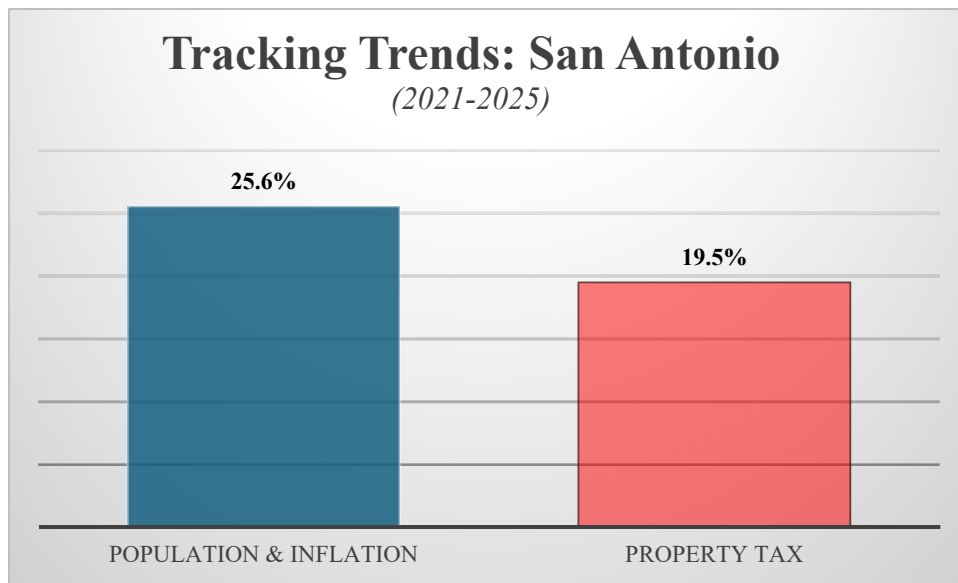
**Tax Levy:** From 2021–2025, the City of San Antonio’s property tax levy increased from \$736.6 million to \$880.3 million, representing an 19.5% increase.

**Population:** From 2021–2025, the city’s population increased from 1,455,635 to 1,554,626, equating to a 6.8% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 25.6%.

Therefore, property taxes levied by the City of San Antonio rose *more slowly than* P&I from 2021 to 2025.



## CITY OF DALLAS

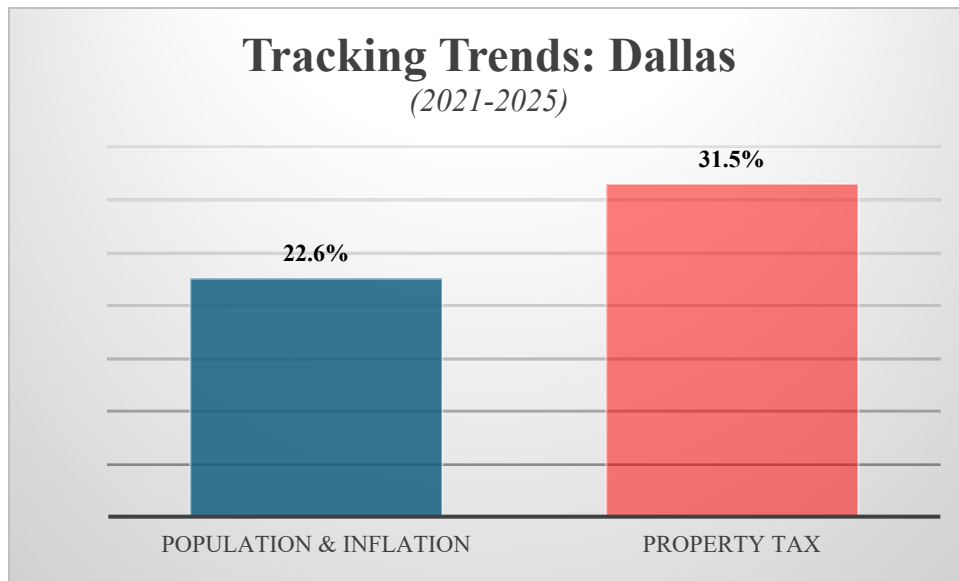
**Tax Levy:** From 2021–2025, the City of Dallas’s property tax levy increased from \$1.2 billion to \$1.6 billion, representing a 31.5% increase.

**Population:** From 2021–2025, the city’s population increased from 1,290,317 to 1,338,750, equating to a 3.8% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 22.6%.

Therefore, property taxes levied by the City of Dallas rose *more than* P&I from 2021 to 2025.



## CITY OF AUSTIN

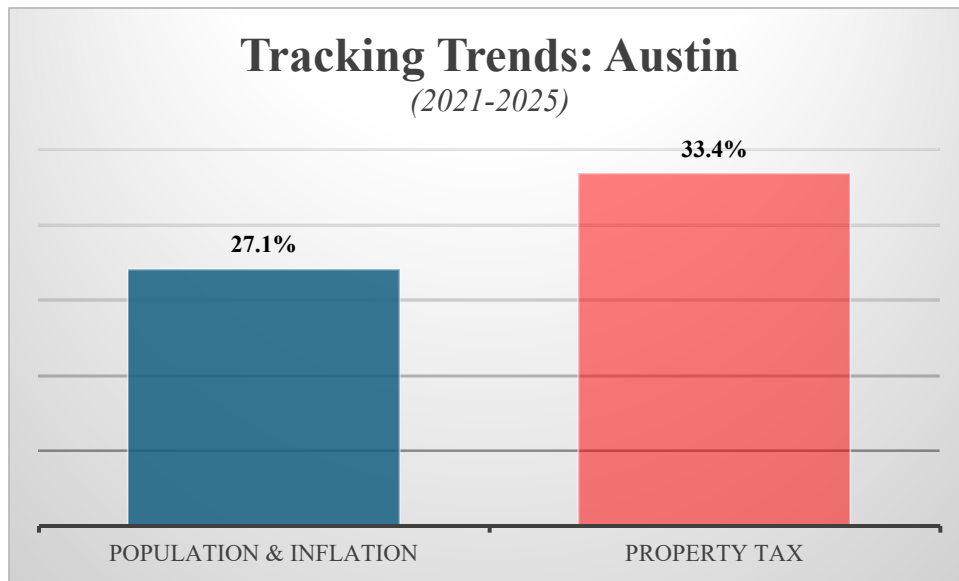
**Tax Levy:** From 2021–2025, the City of Austin’s property tax levy increased from \$992.6 million to \$1.32 billion, representing a 33.4% increase.

**Population:** From 2021–2025, the city’s population increased from 973,381 to 1,054,007, equating to an 8.3% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (U.S. city average, all items), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 27.1%.

Therefore, property taxes levied by the City of Austin rose *more than* P&I from 2021 to 2025.



## CITY OF FORT WORTH

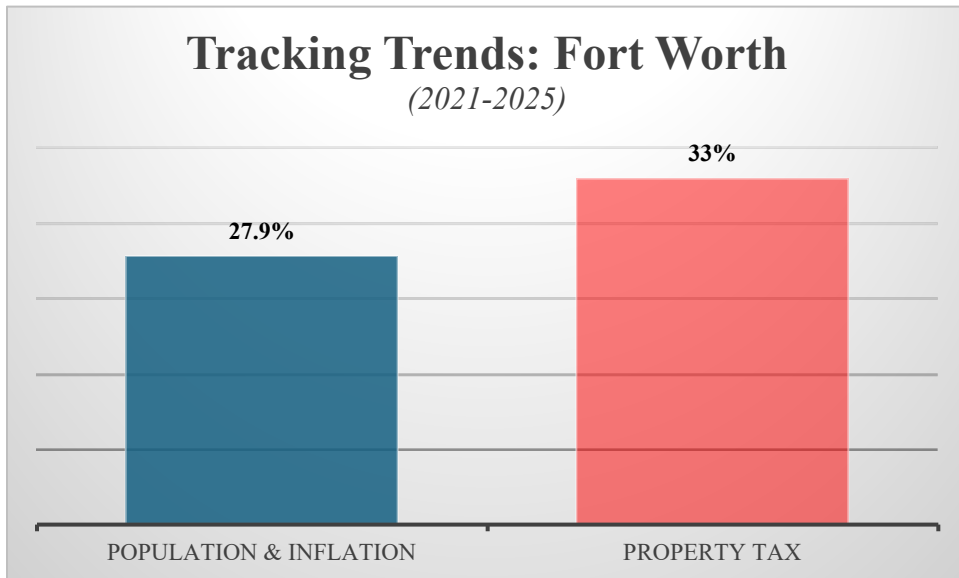
**Tax Levy:** From 2021-2025, the City of Fort Worth’s property tax levy increased from \$648.3 million to \$862 million, representing a 33% increase.

**Population:** From 2021-2025, the city’s population increased from 935,802 to 1,020,987, equating to a 9.1% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 27.9%.

Therefore, property taxes levied by the City of Fort Worth rose *more than* P&I from 2021 to 2025.



## CITY OF EL PASO

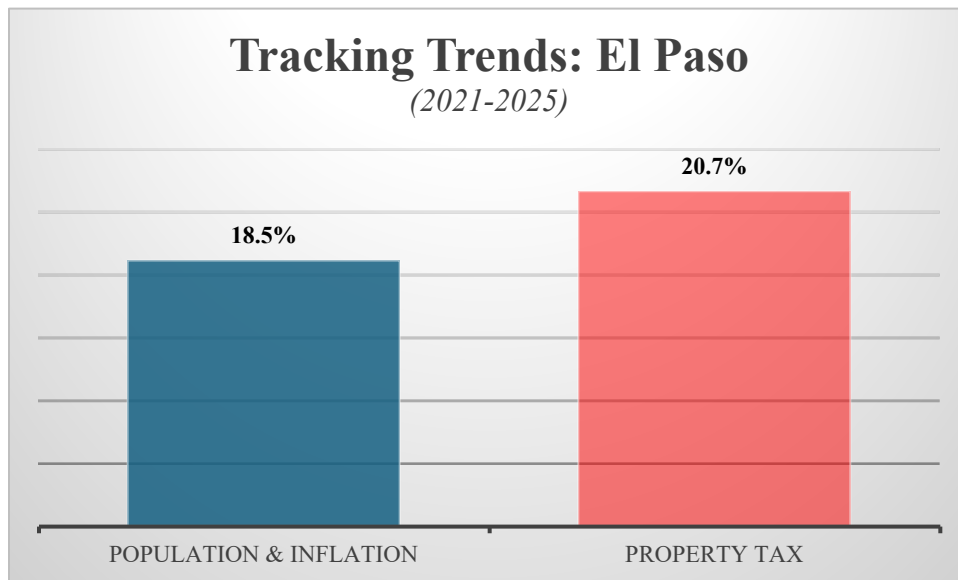
**Tax Levy:** From 2021–2025, the City of El Paso’s property tax levy increased from \$360.6 million to \$435.2 million, representing an 20.7% increase.

**Population:** From 2021–2025, the city’s population decreased from 682,174 to 680,148, equating to a 0.3% decrease.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (U.S. city average, All items), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 18.5%.

Therefore, property taxes levied by the City of El Paso rose *more than* P&I from 2021 to 2025.



## CITY OF ARLINGTON

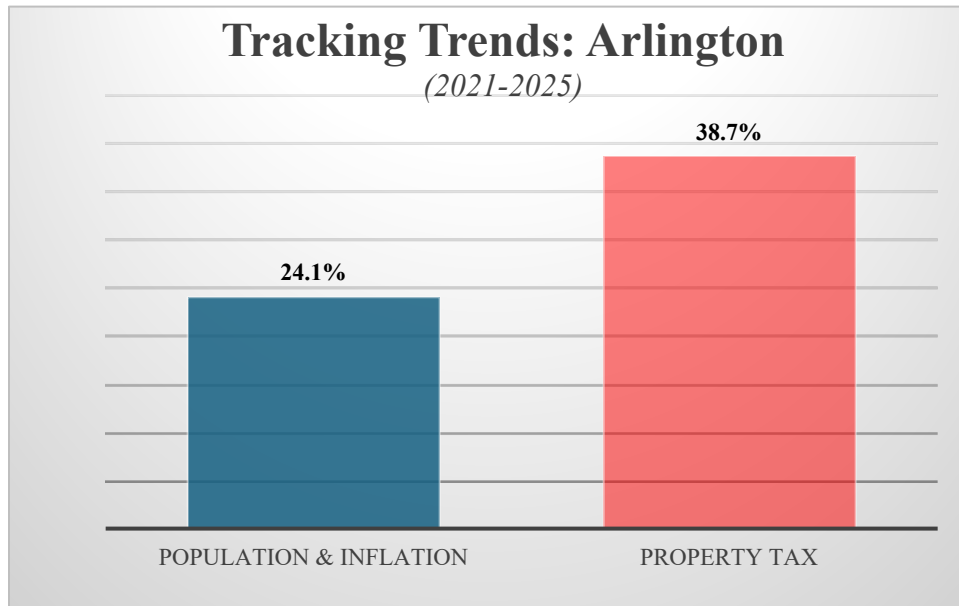
**Tax Levy:** From 2021–2025, the City of Arlington’s property tax levy increased from \$198.5 million to \$275.4 million, representing a 38.7% increase.

**Population:** From 2021–2025, the city’s population increased from 392,827 to 413,519, equating to a 5.3% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 24.1%.

Therefore, property taxes levied by the City of Arlington rose *more than* P&I from 2021 to 2025.



## CITY OF CORPUS CHRISTI

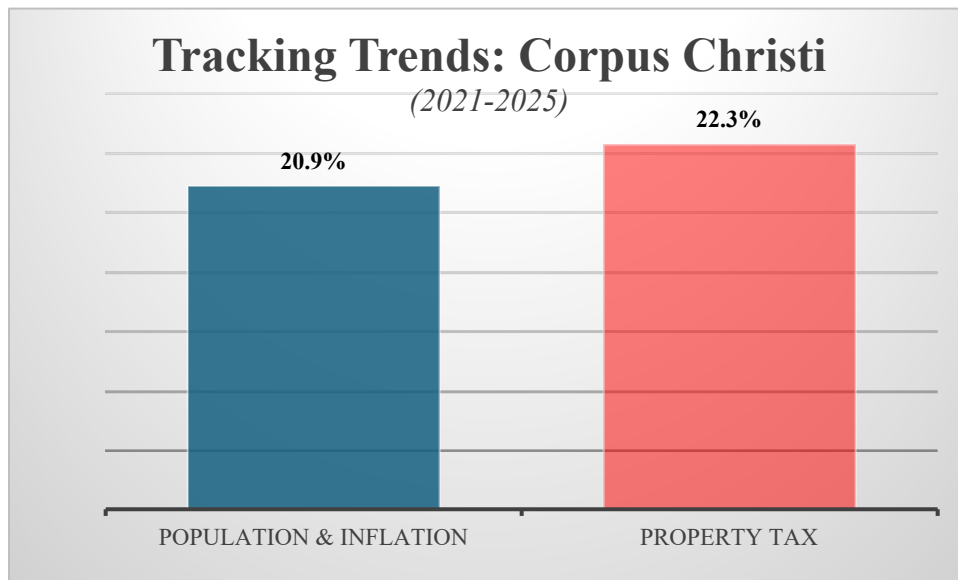
**Tax Levy:** From 2021-2025, the City of Corpus Christi’s property tax levy increased from \$154.5 million to \$188.9 million, representing a 22.3% increase.

**Population:** From 2021-2025, the city’s population increased from 316,400 to 323,178, equating to a 2.1% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 20.9%.

Therefore, property taxes levied by the City of Corpus Christi rose *more than* P&I from 2021 to 2025.



## CITY OF PLANO

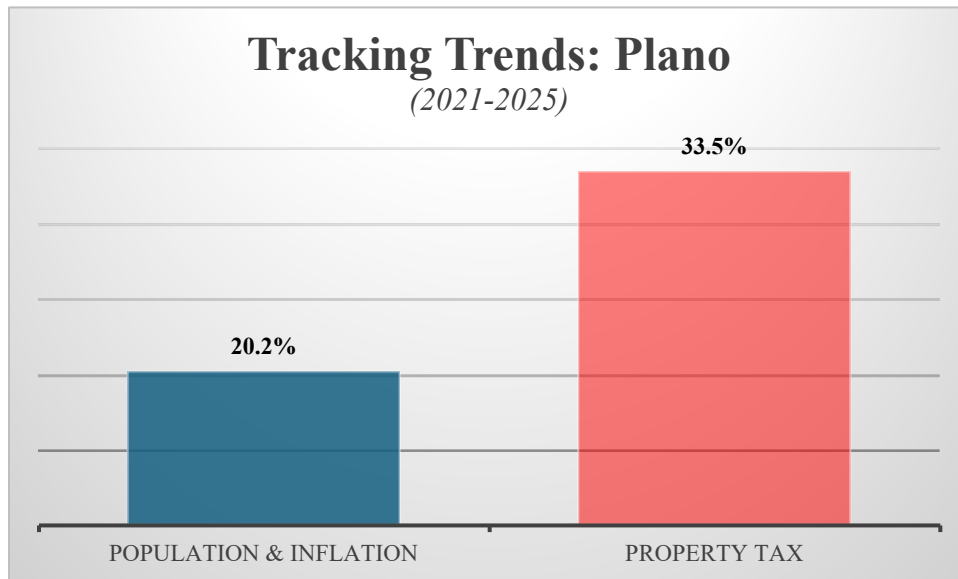
**Tax Levy:** From 2021-2025, the City of Plano’s property tax levy increased from \$213.6 million to \$285.1 million, representing a 33.5% increase.

**Population:** From 2021-2025, the city’s population increased from 288,735 to 292,788, equating to a 1.4% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 20.2%.

Therefore, property taxes levied by the City of Plano rose *more than* P&I from 2021 to 2025.



## CITY OF LUBBOCK

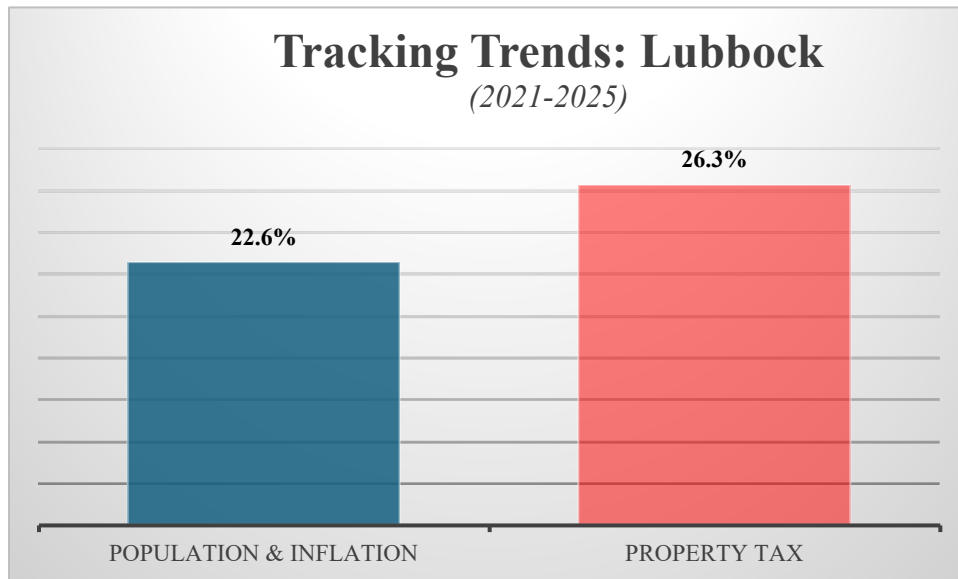
**Tax Levy:** From 2021–2025, the City of Lubbock’s property tax levy increased from \$110.5 million to \$139.6 million, representing a 26.3% increase.

**Population:** From 2021–2025, the city’s population increased from 261,929 to 271,895, equating to a 3.8% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 22.6%.

Therefore, property taxes levied by the City of Lubbock rose *more than* P&I from 2021 to 2025.



## MOST POPULOUS COUNTIES

From 2021 to 2025, all but one of the largest counties in Texas increased tax levies at a rate greater than population and inflation. The largest increase was in Fort Bend County, with a property tax levy increase of 212.3%, while population and inflation increased by 42.1% over the same period. The only large county with a reasonable property tax growth was Tarrant County, which saw a 4.5% property tax levy increase, compared to a 24.7% P&I growth rate.

As shown in **Table 3**, property taxes levied by *all* county governments comprised 18.8% of the total tax levy in 2025.

**Table 3**

*Tracking Trends: County Population, Inflation, and Tax Levy Changes, 2021 - 2025*

County	Population & Inflation	Property Tax Levy	Difference
Harris County	24%	33.1%	9.06%
Dallas County	22%	41.6%	19.6%
Tarrant County	24.7%	4.5%	-20.3%
Bexar County	25.1%	27.3%	2.2%
Travis County	24.8%	45.8%	21.0%
Collin County	34.2%	43.3%	9.1%
Denton County	17.5%	30.1%	12.6%
Fort Bend County	42.1%	212.3%	170.2%
Hidalgo County	18.7%	50.4%	31.7%
El Paso County	30.2%	47.8%	17.6%

## HARRIS COUNTY

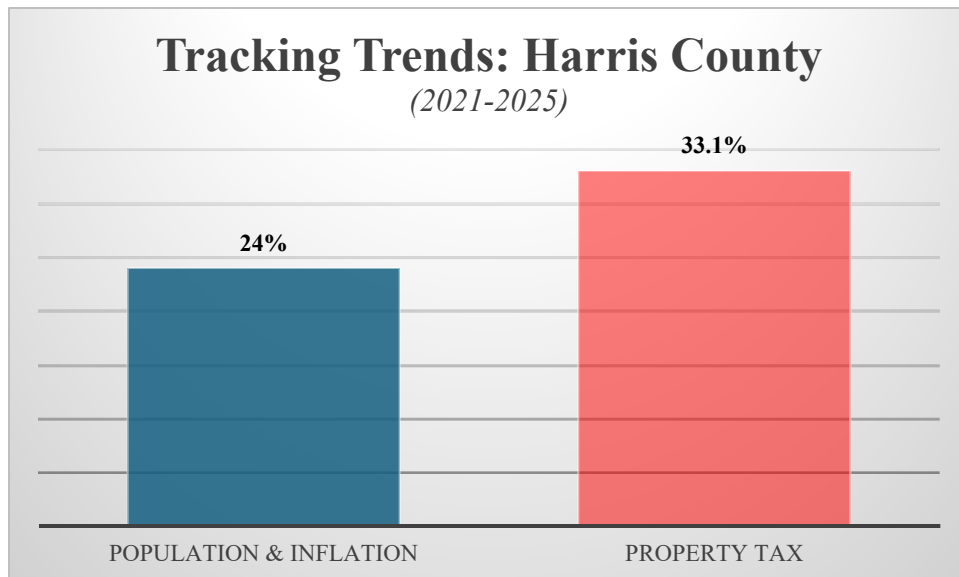
**Tax Levy:** From 2021–2025, Harris County’s property tax levy increased from \$1.98 billion to \$2.64 billion, representing a 33.1% increase.

**Population:** From 2021–2025, the County’s population increased from 4,756,332 to 5,003,892, equating to a 5.2% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (U.S. city average, All items), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 24%.

Therefore, property taxes levied by Harris County rose *more than* P&I from 2021 to 2025.



## DALLAS COUNTY

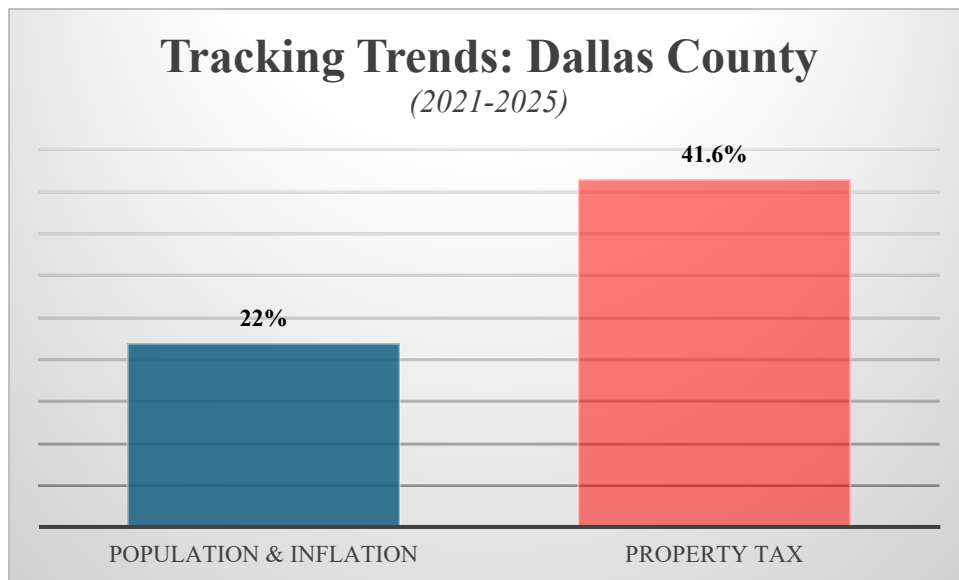
**Tax Levy:** From 2021-2025, Dallas County’s property tax levy increased from \$683.8 million to \$968.3 million, representing a 41.6% increase.

**Population:** From 2021-2025, the County’s population increased from 2,606,107 to 2,691,548, equating to a 3.3% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 22%.

Therefore, property taxes levied by Dallas County rose *more than* P&I from 2021 to 2025.



## TARRANT COUNTY

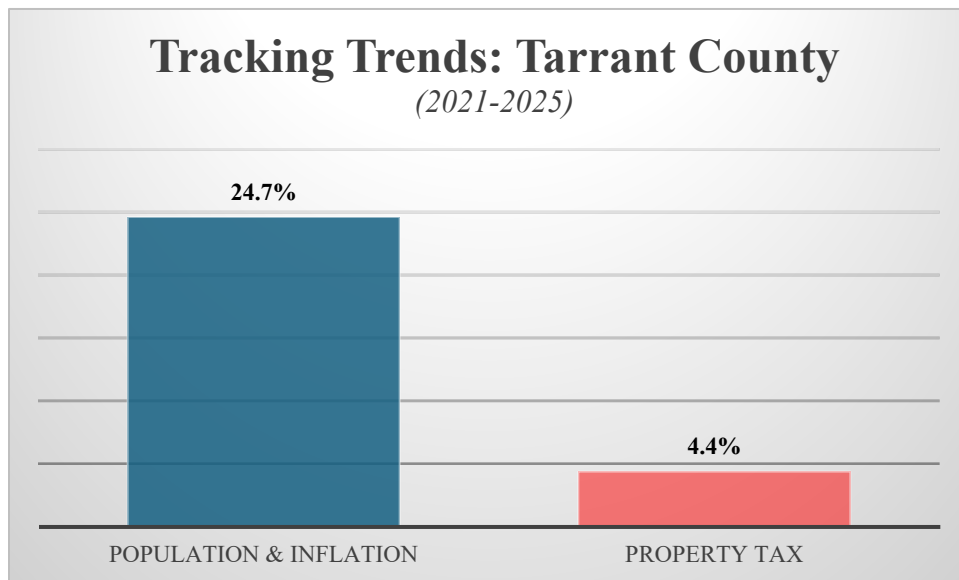
**Tax Levy:** From 2021-2025, Tarrant County's property tax levy increased from \$528.8 million to \$552.3 million, representing a 4.4% increase.

**Population:** From 2021-2025, the County's population increased from 2,120,586 to 2,245,229, equating to a 5.9% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 24.7%.

Therefore, property taxes levied by Tarrant County rose *more slowly than* P&I from 2021 to 2025.



## BEXAR COUNTY

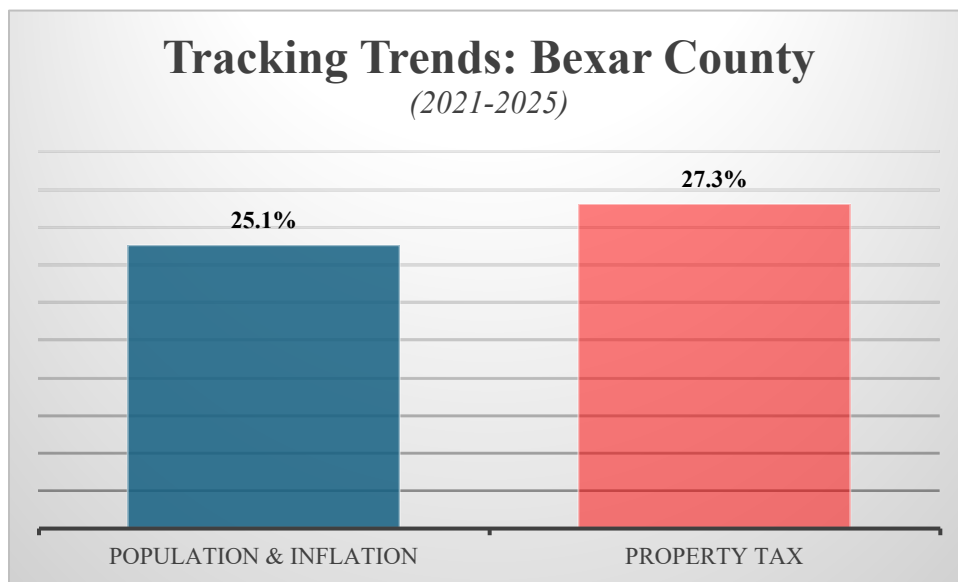
**Tax Levy:** From 2021–2025, Bexar County’s property tax levy increased from \$575.6 million to \$732.7 million, representing a 27.3% increase.

**Population:** From 2021–2025, the County’s population increased from 2,039,146 to 2,167,567, equating to a 6.3% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 25.1%.

Therefore, property taxes levied by Bexar County rose *more than* P&I from 2021 to 2025.



## TRAVIS COUNTY

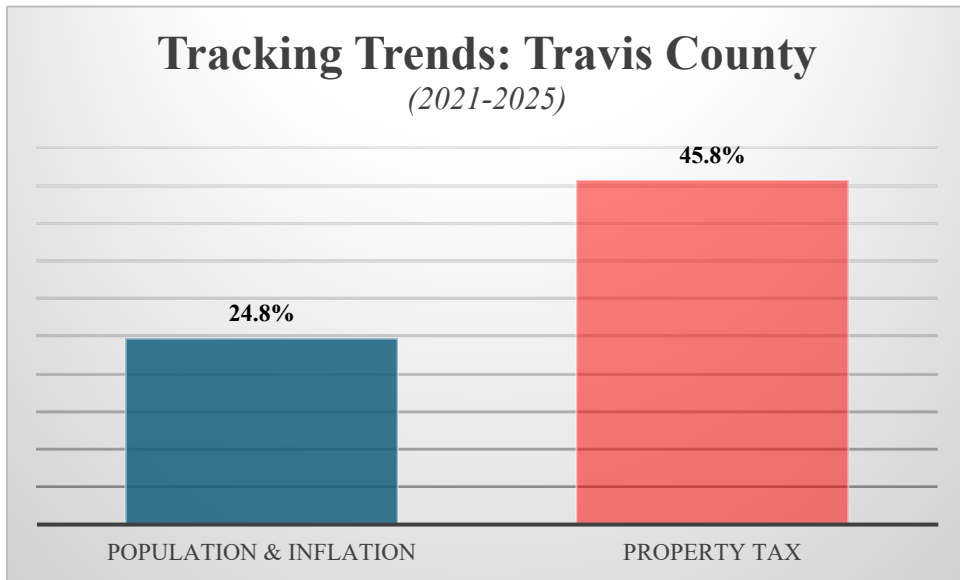
**Tax Levy:** From 2021-2025, Travis County’s property tax levy increased from \$849.7 million to \$1.24 billion, representing a 45.8% increase.

**Population:** From 2021-2025, the County’s population increased from 1,316,907 to 1,395,906, equating to a 6% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 24.8%.

Therefore, property taxes levied by Travis County rose *more than* P&I from 2021 to 2025.



## HIDALGO COUNTY

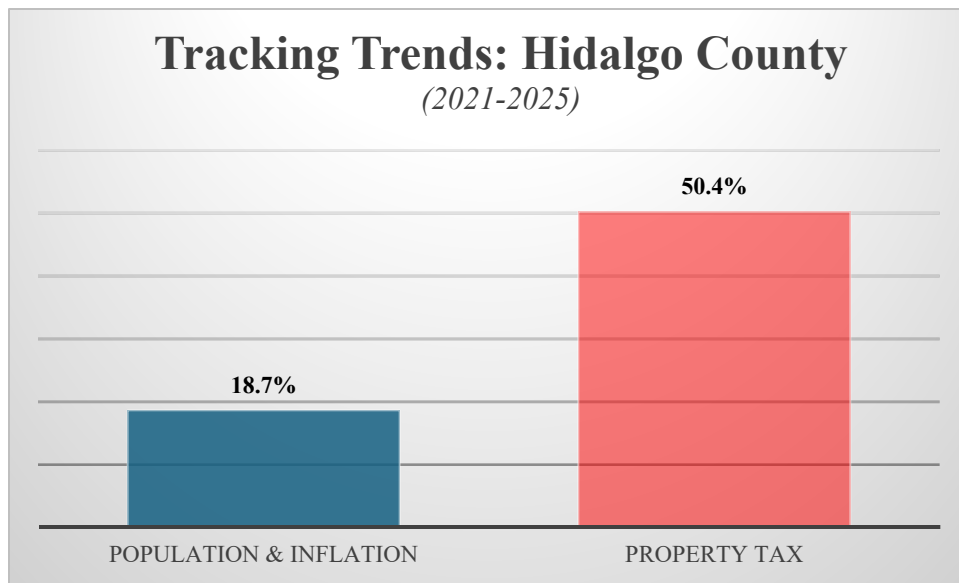
**Tax Levy:** From 2021-2025, Hidalgo County's property tax levy increased from \$281.9 million to \$404 million, representing a 50.4% increase.

**Population:** From 2021-2025, the County's population decreased from 880,932 to 879,329, equating to a 0.1% decrease.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 18.7%.

Therefore, property taxes levied by Hidalgo County rose *more than* P&I from 2021 to 2025.



## DENTON COUNTY

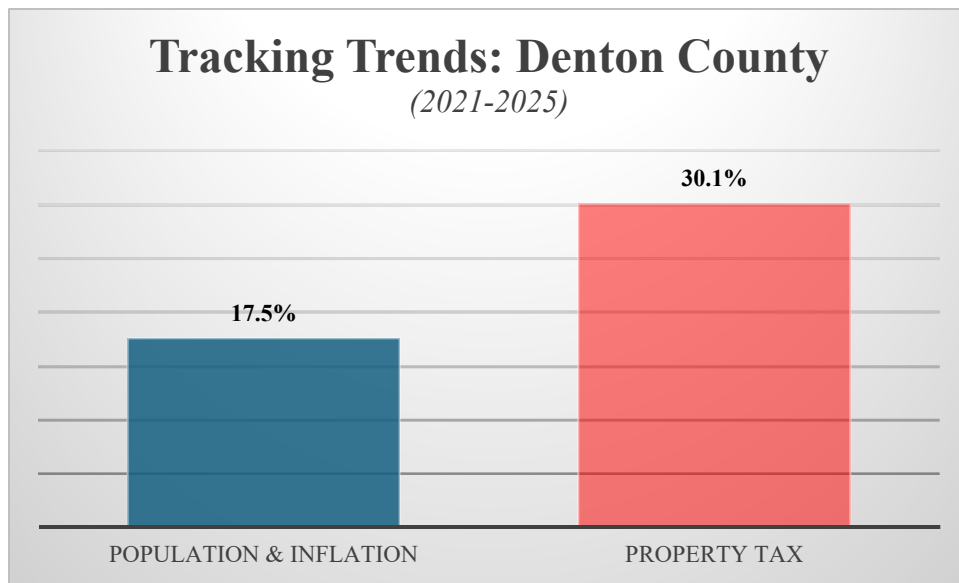
**Tax Levy:** From 2021–2025, Denton County’s property tax levy increased from \$296 million to \$385.1 million, representing a 30.1% increase.

**Population:** From 2021–2025, the County’s population decreased from 940,860 to 928,384, equating to a 1.3% decrease.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 17.5%.

Therefore, property taxes levied by Denton County rose *more than* P&I from 2021 to 2025.



## EL PASO COUNTY

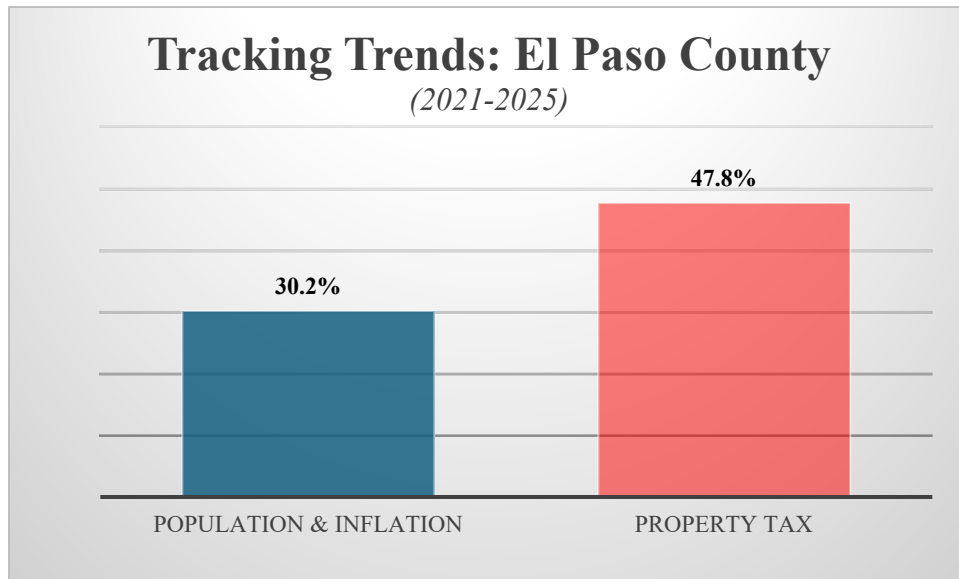
**Tax Levy:** From 2021–2025, El Paso County’s property tax levy increased from \$229.3 million to \$339 million, representing a 47.8% increase.

**Population:** From 2021–2025, the County’s population increased from 872,242 to 971,689, equating to a 11.4% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021–2025, P&I increased by a combined 30.2%.

Therefore, property taxes levied by El Paso County rose *more than* P&I from 2021 to 2025.



## FORT BEND COUNTY

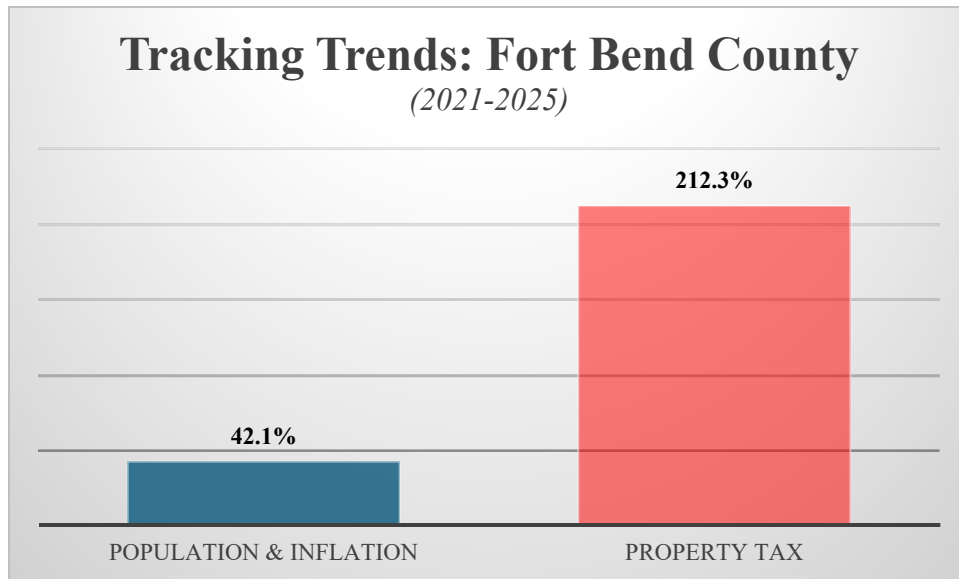
**Tax Levy:** From 2021-2025, Fort Bend County's property tax levy increased from \$374.1 million to \$1.17 billion, representing a 212.3% increase.

**Population:** From 2021-2025, the County's population increased from 858,658 to 1,058,299, equating to a 23.3% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Population and Inflation:** From 2021-2025, P&I increased by a combined 42.1%.

Therefore, property taxes levied by Fort Bend County rose *more than* P&I from 2021 to 2025.



## MOST POPULOUS SCHOOL DISTRICTS

School district tax levy trends differ noticeably from those observed in cities and counties in Texas. In fact, in each instance, enrollment and inflation (E&I) outpaced property tax levy growth by some margin. However, the reason for this difference is not due to ISD fiscal restraint, but rather state legislative action.

Over the last several legislative sessions, the Texas Legislature has adopted policies to enhance the state’s role in public education funding and to reduce ISD property taxes through tax rate compression, increasing the residence homestead exemption, and other mechanisms. For example, in the 88th Legislature, Senate Bill 2 raised the homestead exemption from \$40,000 to \$100,000, compressed ISD M&O rates by 10.7 cents, created a 20% limitation on appraised value increases on non-homestead real property valued at less than \$5 million, created new elected positions for appraisal district boards in counties with a population of 75,000 or more, and prohibited local taxing units from reducing or eliminating existing local homestead exemptions for four years ([Senate Research Center, 2023](#)).

As a consequence of state action, ISD tax levy growth was reversed or depressed in the instances below. In fact, the total tax levies in four school districts (Houston, Northside, Cypress–Fairbanks, and Fort Worth ISDs) were lower in 2025 than in 2021. The remaining districts (Dallas, Katy, Fort Bend, Austin, Conroe, and Frisco ISDs) had higher levies in 2025 than in 2021, but they grew at a slower rate than E&I.

As shown in **Table 4**, property taxes levied by *all* ISDs accounted for 46.6% of the total tax levy in 2025, which was 1.5% lower than in 2024.

**Table 4**

*Tracking Trends: School District Enrollment, Inflation, and Tax Levy Changes, 2021–2025*

School Districts	Enrollment & Inflation	Property Tax Levy	Difference
Houston ISD	9.6%	-7.95%	-17.6%
Dallas ISD	16.2%	10.6%	-5.6%
Cypress–Fairbanks ISD	19.4%	-7.1%	-26.5%
Northside ISD	16.7%	-8.96%	-25.7%
Katy ISD	27.6%	1.06%	-26.6%
Fort Bend ISD	21.5%	2%	-19.5%
Austin ISD	15.7%	1.5%	-14.2%
Fort Worth ISD	12.9%	-4.7%	-17.6%
Conroe ISD	26.4%	4.9%	-21.5%
Frisco ISD	27.3%	11.4%	-15.9%

## HOUSTON ISD

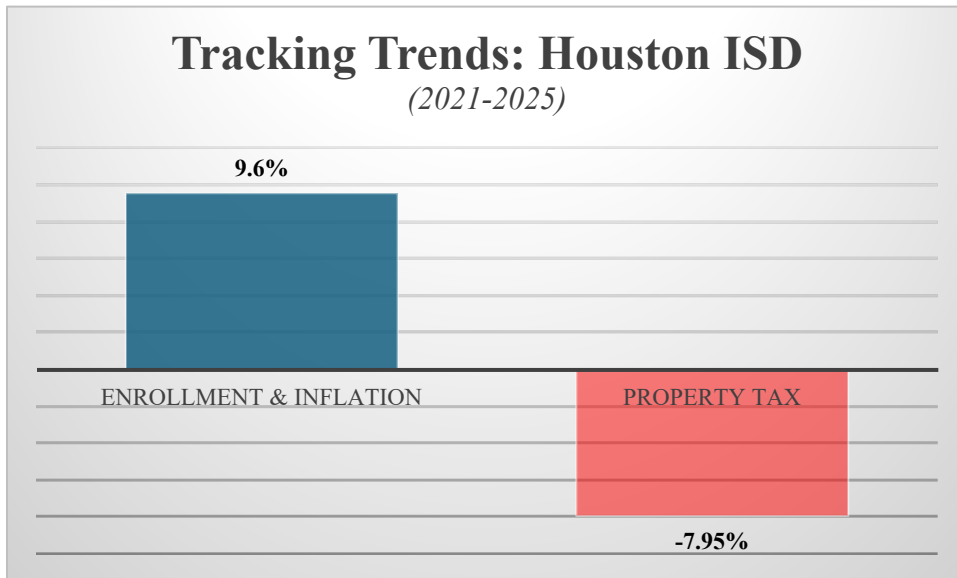
**Tax Levy:** From 2021–2025, Houston ISD’s property tax levy decreased from \$2.16 billion to \$1.99 billion, representing a 7.95% decrease.

**Enrollment:** From 2021–2025, the ISD’s enrollment decreased from 194,607 to 176,727, equating to a 9.2% decrease.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021–2025, E&I increased by a combined 9.6%.

Therefore, property taxes levied by Houston ISD decreased from 2021 to 2025.



## DALLAS ISD

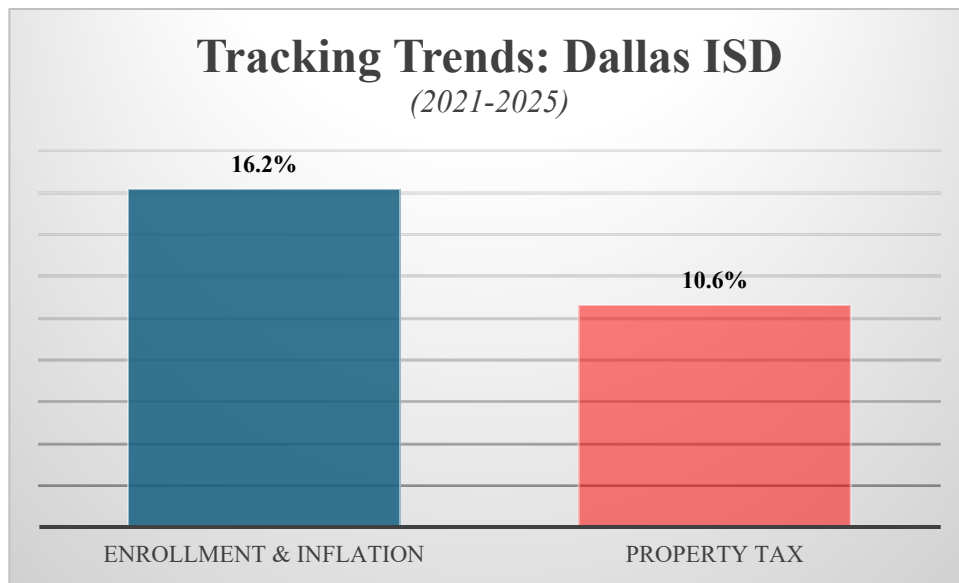
**Tax Levy:** From 2021–2025, Dallas ISD’s property tax levy increased from \$1.77 billion to \$1.99 billion, representing a 10.6% increase.

**Enrollment:** From 2021–2025, the ISD’s enrollment decreased from 143,558 to 139,802, equating to a 2.6% decrease.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021–2025, E&I increased by a combined 16.2%.

Therefore, property taxes levied by Dallas ISD rose *more slowly* than E&I from 2021 to 2025.



## CYPRESS-FAIRBANKS ISD

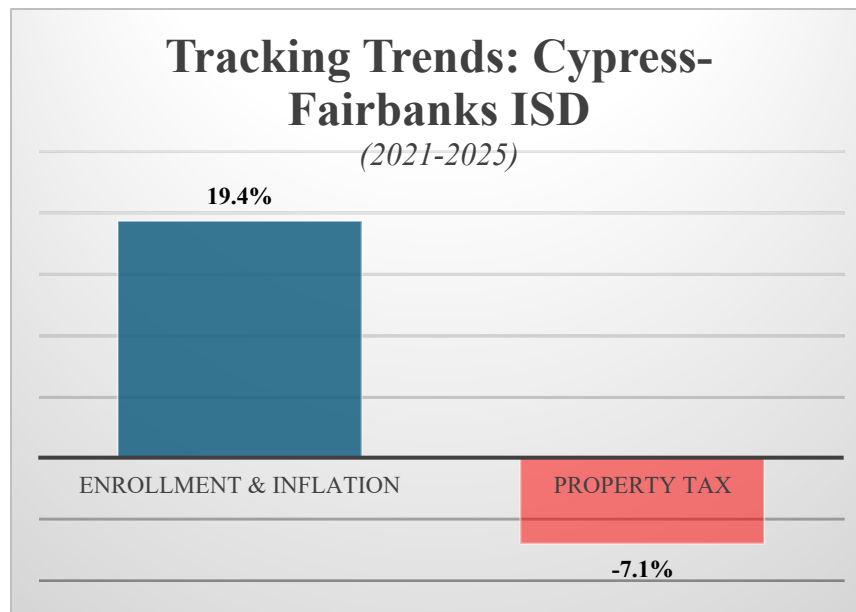
**Tax Levy:** From 2021-2025, Cypress-Fairbanks ISD's property tax levy decreased from \$813.3 million to \$755.8 million, representing a 7.1% decrease.

**Enrollment:** From 2021-2025, the ISD's enrollment increased from 117,217 to 117,927, equating to a 0.6% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 19.4%.

Therefore, property taxes levied by Cypress-Fairbanks ISD decreased from 2021 to 2025.



## NORTHSIDE ISD

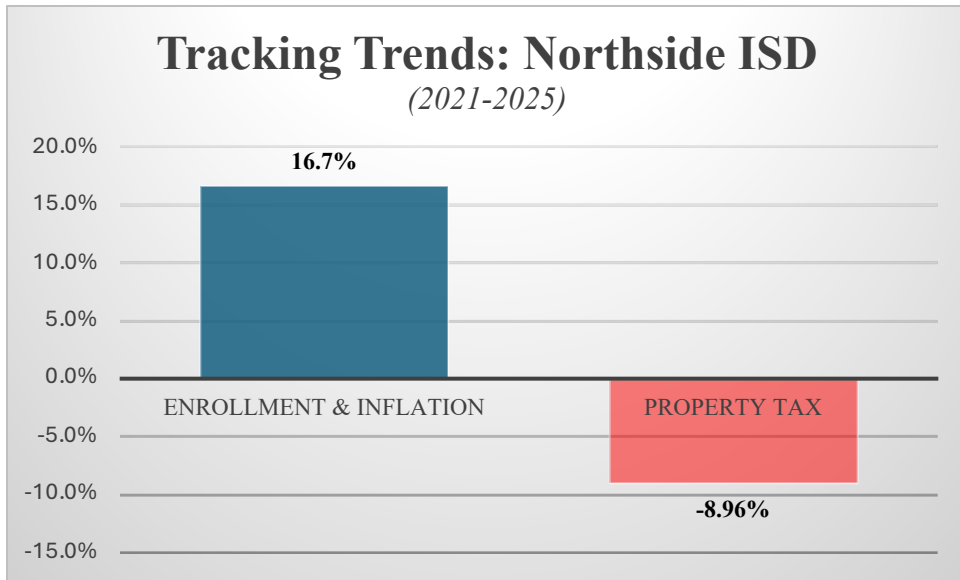
**Tax Levy:** From 2021-2025, Northside ISD's property tax levy decreased from \$821.8 million to \$748.1 million, representing an 8.96% decrease.

**Enrollment:** From 2021-2025, the ISD's enrollment decreased from 102,377 to 100,208, equating to a 2.1% decrease.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 16.7%.

Therefore, property taxes levied by Northside ISD decreased from 2021 to 2025.



## KATY ISD

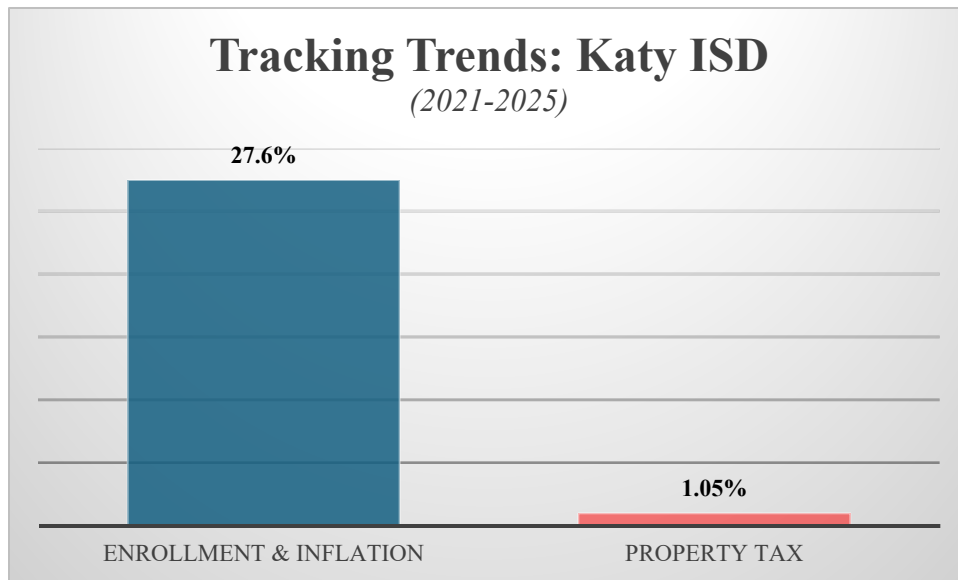
**Tax Levy:** From 2021–2025, Katy ISD’s property tax levy increased from \$642.5 million to \$649.3 million, representing a 1.05% increase.

**Enrollment:** From 2021–2025, the ISD’s enrollment increased from 88,368 to 96,111, equating to an 8.8% increase.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021–2025, E&I increased by a combined 27.6%.

Therefore, property taxes levied by Katy ISD increased *more slowly* than E&I from 2021 to 2025.



## FORT BEND ISD

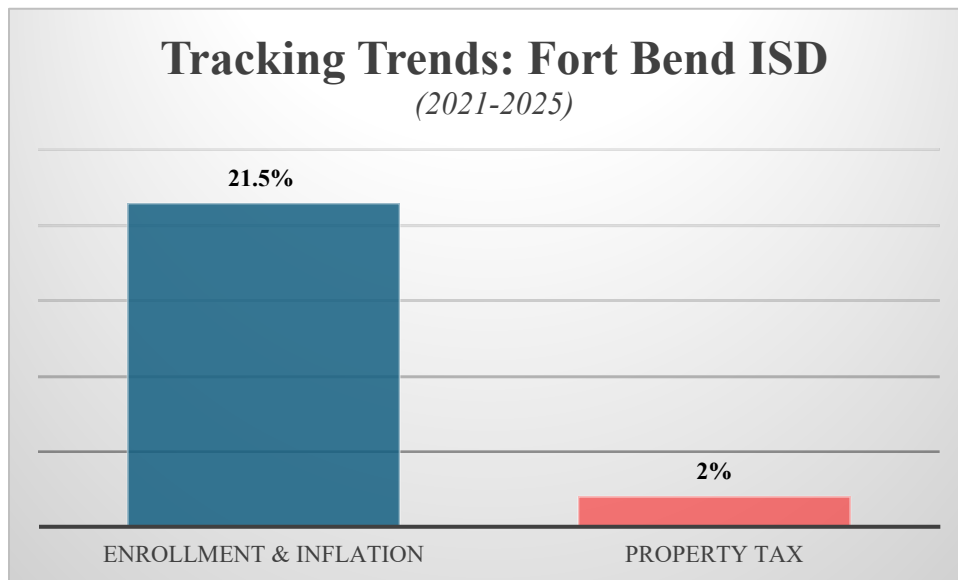
**Tax Levy:** From 2021-2025, Fort Bend ISD’s property tax levy increased from \$569.2 million to \$580.6 million, representing a 2% increase.

**Enrollment:** From 2021-2025, the ISD’s enrollment increased from 77,545 to 79,663, equating to a 2.7% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 21.5%.

Therefore, property taxes levied by Fort Bend ISD rose *more slowly than* E&I from 2021 to 2025.



## AUSTIN ISD

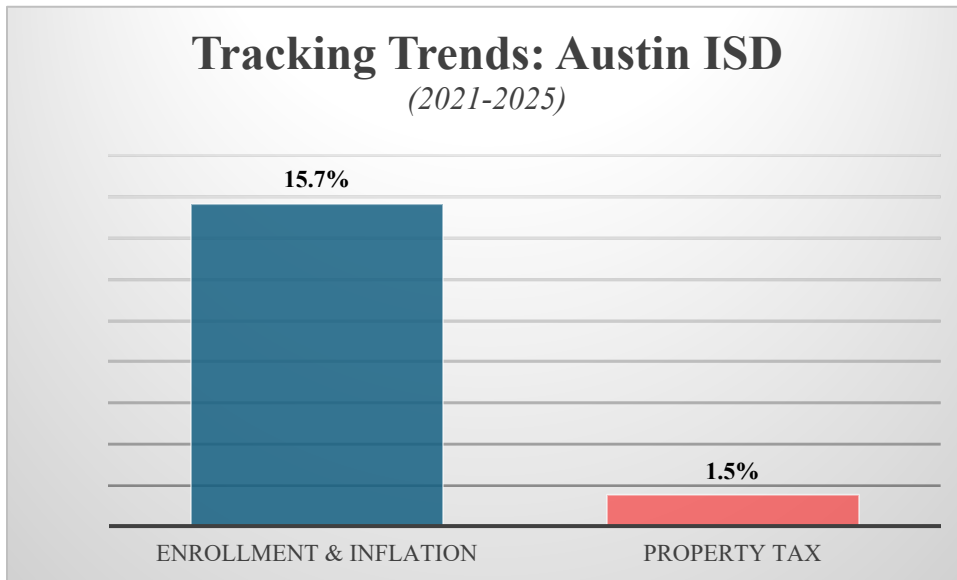
**Tax Levy:** From 2021-2025, Austin ISD’s property tax levy increased from \$1.62 billion to \$1.64 billion, representing a 1.5% increase.

**Enrollment:** From 2021-2025, the ISD’s enrollment decreased from 74,602 to 72,272, equating to a 3.1% decrease.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 15.7%.

Therefore, property taxes levied by Austin ISD rose *more slowly than* E&I from 2021 to 2025.



## FORT WORTH ISD

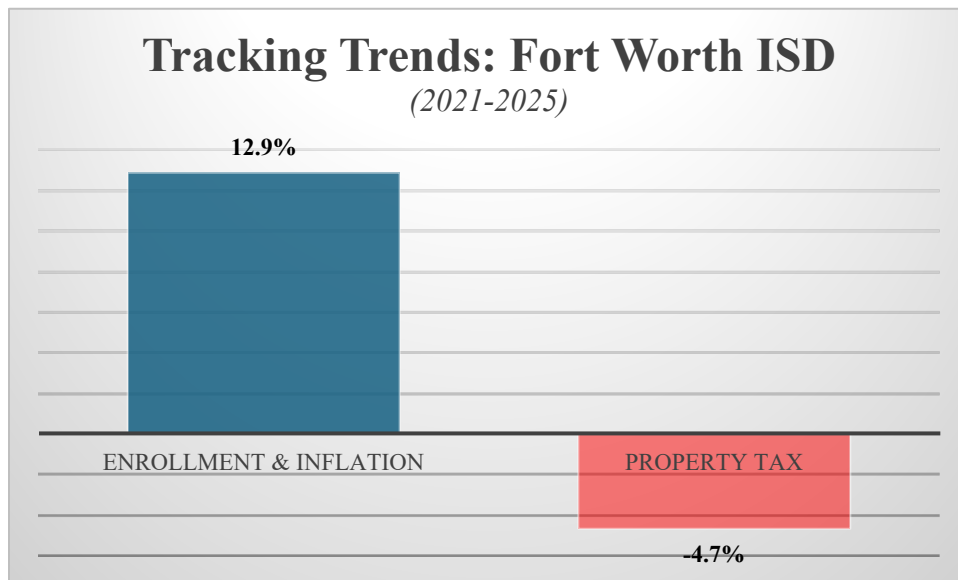
**Tax Levy:** From 2021-2025, Fort Worth ISD’s property tax levy decreased from \$597.4 million to \$569.6 million, representing a 4.7% decrease.

**Enrollment:** From 2021-2025, the ISD’s enrollment decreased from 74,850 to 74,405, equating to a 0.5% decrease.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 12.9%.

Therefore, property taxes levied by Fort Worth ISD decreased from 2021 to 2025.



## CONROE ISD

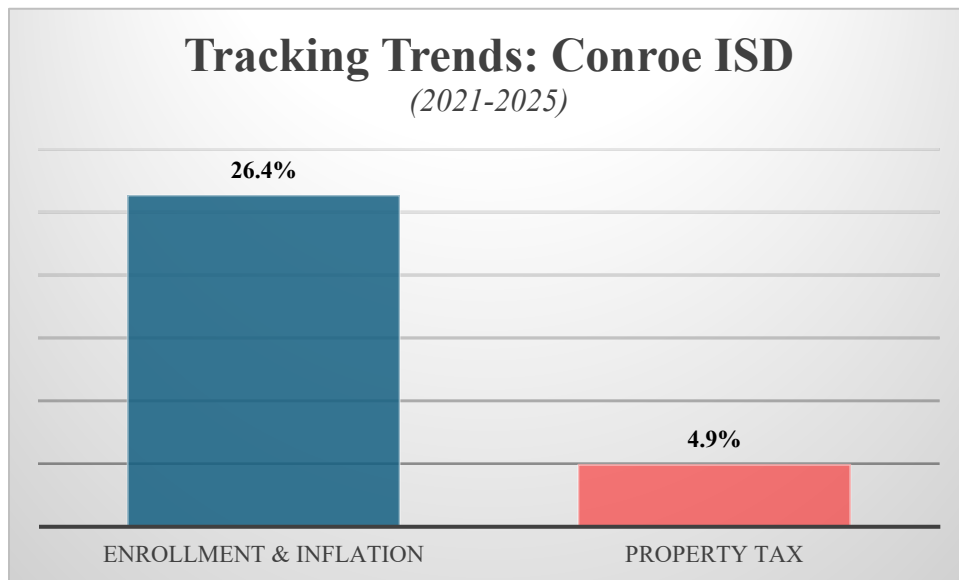
**Tax Levy:** From 2021–2025, Conroe ISD’s property tax levy increased from \$500.5 million to \$525.3 million, representing a 4.9% increase.

**Enrollment:** From 2021–2025, the ISD’s enrollment increased from 67,761 to 72,914, equating to an increase of 7.6%.

**Inflation:** From 2021–2025, inflation, as determined by the Consumer Price Index (*U.S. city average, all items*), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021–2025, E&I increased by a combined 26.4%.

Therefore, property taxes levied by Conroe ISD rose *more slowly than* E&I from 2021 to 2025.



## FRISCO ISD

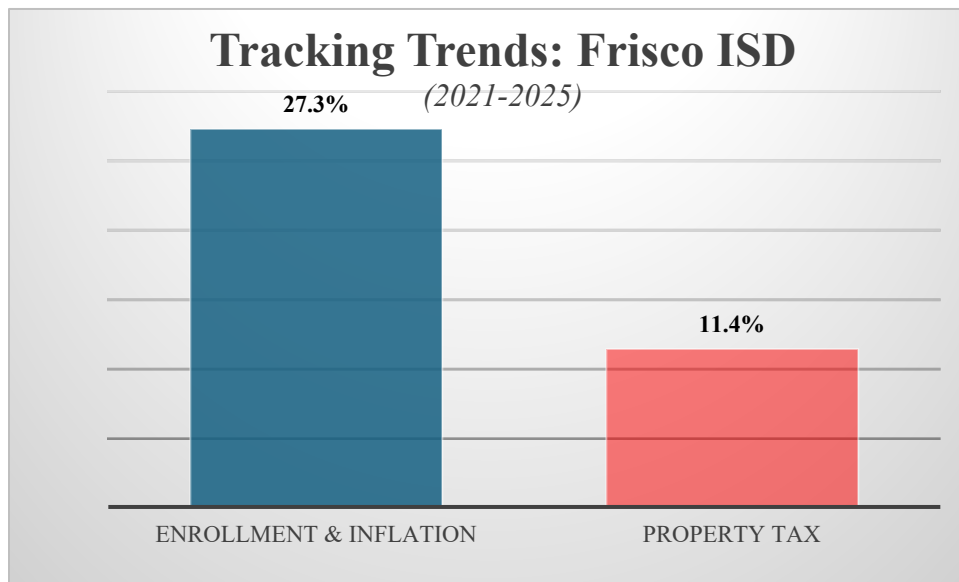
**Tax Levy:** From 2021-2025, Frisco ISD’s property tax levy increased from \$619.3 million to \$689.8 million, representing an 11.4% increase.

**Enrollment:** From 2021-2025, the ISD’s enrollment increased from 60,182 to 65,289, an 8.5% increase.

**Inflation:** From 2021-2025, inflation, as determined by the Consumer Price Index (U.S. city average, all items), climbed from 270.97 to 321.94, an 18.8% increase.

**Enrollment and Inflation:** From 2021-2025, E&I increased by a combined 27.3%.

Therefore, property taxes levied by Frisco ISD rose *more slowly than* E&I from 2021 to 2025.



## RECOMMENDATIONS

The data demonstrates that property tax levies in many cities, counties and ISDs grew well beyond population/enrollment and inflation between 2021 and 2025. As a consequence of these elevated growth rates, individuals and businesses were burdened with a higher-than-necessary tax burden, the affordability environment became even more difficult, and the size of government grew beyond the needs of society.

In light of local property tax trends, the 90th Texas Legislature should consider implementing a suite of tax-related reforms to ease the cost of government. Such good government reforms might include the following:

- **Establish** a uniform Voter-Approved Tax Rate Election (VATRE) threshold for all local governments;
- **Limit** public spending to a legitimate and clearly defined public purpose;
- **Enact** a local government balanced budget requirement; and
- **Continue** eliminating school district M&O tax rates.

### *Establish a Uniform VATRE Threshold for All Local Governments*

Under current law, taxing units must generally observe one of the following property tax revenue limitations:

- **2.5% Automatic Election Trigger:** For ISDs, the growth of Tier 1 M&O revenue “has been generally limited to 2.5 percent per year; however, a school district can opt to increase its Tier 2 rate with voter approval, up to certain limits” (Julot et al., 2023). In the event that trustees adopt a tax rate that exceeds the voter-approval tax rate (VATR), then “a school district must automatically hold a tax rate ratification election” on the uniform November election date for the tax year (Texas Comptroller of Public Accounts, n.d.-c).
- **3.5% Automatic Election Trigger:** For certain cities, counties, and special purpose districts, property tax revenue growth is limited to “the same amount of tax revenue [a local governing body] received in the previous year for day-to-day operations plus an extra 3.5 percent for operations” (Texas Comptroller of Public Accounts, n.d.-c).
- **8% Petition Election Trigger:** For certain small, low tax rate cities<sup>1</sup> and special taxing units,<sup>2</sup> the revenue limitation allows for “an extra 8 percent increase for operations” (Texas Comptroller of Public Accounts, n.d.-c). If a governing body seeks to adopt a tax rate that exceeds the VATR, then residents can petition to hold an election to challenge the proposed rate and potentially reduce it.

Taxing units are governed by revenue limitations that are neither uniform nor easily understood. Further, in the event that a taxing unit seeks to adopt a tax rate that generates more than the limitation provides, it triggers either an automatic election or petition process, depending on the type of local government in question.

The next Texas Legislature can consolidate these different standards and election processes into one easy-to-understand system that features a low threshold, an automatic election requirement, and applies to all taxing units, irrespective of type or population size. By reforming Texas’s property tax revenue limitation

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1 Municipalities proposing a tax rate of 2.5 cents or less are permitted to continue calculating the VATR using 8%.

2 [Sec. 26.012 \(19\) \(A – C\) of the Texas Tax Code](#) defines a special taxing unit as: “(A) a taxing unit, other than a school district, for which maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value; (B) a junior college district; or (C) a hospital district.”

in such a way, policymakers will invite more public participation, cultivate a broader understanding of property taxes, and potentially put the brakes on large tax increases.

### ***Prohibit publicly funded guaranteed income programs***

Under current law, the Texas Constitution's anti-gift clause prohibits certain local governments from granting public money to private individuals, associations, or corporations. In other words, public money is theoretically constrained to furthering a public purpose and not meant to primarily benefit a private business or organization.

In order for a government payment to satisfy this strict standard, the payment must be for a public purpose, the government must maintain control over the expenditures, and the government must receive fair value in return for public payments.

Despite these safeguards, many local policies and programs are implemented that violate the spirit of the law, if not the letter of the law. One example is the rash of "[t]axpayer-funded guaranteed income programs" that have been launched over the last several years ([Quintero, 2024, p. 3](#)).

In light of these deviations, the next Texas Legislature should require local governments to spend or direct public money to public purposes only, and do so by tightening the current constitutional and statutory definition of public use, as well as providing enforcement mechanisms such as withholding sales tax remittances to the offending entity or requiring the offending entity to adopt a no-new revenue tax rate.

### ***Enact a Local Government Balanced Budget Requirement***

Increasingly, many school districts appear tempted to adopt or consider adopting deficit budgets, wherein expenditures outpace revenues. This recent phenomenon is a reminder that local governments do not currently observe any constitutional or statutory requirements to adopt balanced budgets, which invites fiscal irresponsibility, including overspending, higher taxes, depleted reserves, and unsustainable budgeting practices.

To ensure future fiscal responsibility, the Legislature should require a political subdivision to adopt a budget where its operating expenditures are equal to or less than its anticipated revenues. This type of reform is already in effect in many other states and localities. According to the Government Finance Officers Association ([n.d., para. 1](#)), "Most [U.S.] state and local governments are subject to a requirement to pass a balanced budget."

### ***Continue Eliminating School District M&O Tax Rates***

Since 2019, the Texas Legislature has committed substantial resources toward reducing property tax bills through twin strategies: compressing school district M&O tax rates and increasing the residence homestead exemption. With respect to the former, tremendous progress has been made in recent years to lower rates on a near-permanent basis.

Consider that in 2019, the 86th Texas Legislature passed HB 3 ([2019](#)) which, in part, compressed every school district's Tier One tax rate from \$1.00 per \$100 of value to \$0.93 per \$100 of value for the 2019-20 school year and created formulas to calculate additional rate reductions in future years, as determined by property value growth. The formulas established a maximum compressed rate for each school district to act as a Tier One tax rate ceiling that, alongside other legislation, has prompted substantially lower rates. The maximum Tier One rate permitted for any school district during the 2025-26 school year is \$0.6322 per \$100 of value ([Texas Education Agency, 2025](#)).

Moving forward, it would be prudent for the next Texas Legislature to continue directing some majority portion of the state's surplus to further compressing M&O rates, with the goal of eventual elimination.

The problem is not necessarily that governments are growing, but that their growth has outpaced reasonable measures. As governments grow taxes increase to support themselves in a destructive cycle making living unaffordable. Limiting the amount of revenue local governments can extract will provide financial relief for hardworking Texan families. ■

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Prior to joining TPPF John served in the University system as a Graduate Assistant until he was given the opportunity to teach Principles of American Government. John holds a Master of Arts in Political Science from Texas State University and a Bachelor of Arts in Political Science from Sam Houston State University.

As a proud Eagle Scout John is an avid camper and enjoys spending time in the outdoors as well as at home with his wife.

