

Average Austin property tax bill hits \$7,600, up \$517 from last year

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Highlights

The average Austin homeowner will pay \$7,607 in property taxes this year, a tax hike of \$517 over last year.

Over the past five years, that average tax bill has increased 21 percent, an additional \$1,342.

Many taxing entities reduced rates in recent years but rising values still allowed them to rake in more money.

The Johnson family didn't want to leave Austin.

They loved their home nestled in the popular Circle C neighborhood, with close friends as neighbors, a short commute and good schools.

But after 10 years of living in their 2,800 square-foot south Austin home, the property taxes increased so much that they became greater than the actual mortgage payment.

“We saw it creeping up over the years,” said Barbara Johnson, a preschool teacher whose husband works for Austin Fire Department. “We were trying to hold on to living in Southwest Austin where our kids were being raised. It became too much of a burden. The bill was just going to keep going up.”



Barbara Johnson, prepares dinner for her son Dylan, 15, at their home in Buda, Thursday, Oct. 19, 2017. The Johnson family ... [Read More](#)

It's a common dilemma for Austin homeowners who are now receiving their property tax bills in the mail — that yearly reminder of the government's increasing levy.

The owner of an average Austin home will pay \$7,607 in property taxes this year, a tax hike of \$517 over last year.

Over the past five years, that same tax bill has increased 21 percent, an additional \$1,342. Meanwhile, the taxable value of the average home has risen from \$262,434 to \$343,604, according to the Travis County appraisal district.

The Johnsons this year would have paid nearly \$9,100 in taxes, up \$1,880 from five years ago. Instead, they uprooted their kids from their schools and moved in August to Buda, where they found a 3,300 square-foot home for less money – and the new tax bill is estimated to be at least \$3,000 less.

The scenario has become increasingly common in Austin, where longtime homeowners are moving into outlying areas in search of more affordable housing and relief from escalating taxes.

“We're finding we're having to dig further into our savings to meet the property taxes every year,” said Barb Kuplicki, who moved into her northeast Austin home in 2009. She recently retired and her

husband plans to retire in a few more years. "Once his paycheck stops coming in, then it's probably decision time."

Texas has no state income tax, so state and local taxing entities are heavily reliant on the revenue generated by property taxes to pay for schools and local services.

The city of Austin, the Austin school district and other taxing agencies point to efforts they've made in recent years to offer relief to property owners. Most of them, including Travis County, Central Health and Austin Community College, have reduced their tax rates in the last five years (though the city increased its last month). But they did not reduce them enough to cancel out the effect of rising property values driven by the market demand, and those agencies continue to rake in more money each year.

"They may claim they're holding the rates constant, but it doesn't mean the taxes aren't going to go up," said John Kennedy, senior analyst for the Texas Taxpayers and Research Association.

Less and less affordable

Property tax bills have risen at a faster rate than wages in Austin in recent years. More area homeowners are now saying it's putting them under financial duress and question whether they will be able to remain in the area.

Efforts in the Legislature this year to limit city and county property tax increases failed with strong opposition by municipal leaders, law enforcement officials and Democrats, who said overhauling the school finance system would only bring true property tax reform.

When Pamela Oldham and her husband moved to Round Rock in 2006 from Virginia she envisioned a life that included going to restaurants and concerts in Austin and eventually retiring in their Williamson County home. But things have not turned out as expected due to rising property taxes, she said.

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"I feel like we fought our way through the Great Recession only to have our pockets picked by government entities," she said. The property taxes on their Round Rock home have increased 29 percent since 2012 because its value has risen and tax rates set by local government including the city of Round Rock aren't taking that into account, Oldham said.

Oldham, a technology writer who owns her own communications company, said she came up with a five-year plan in 2012 to expand her business. "I had to put that on hold and ship my business income to the household because of constant property tax increases," she said. "I'm not an anti-tax person

and I never have been but we've gotten out of control here." Not only do she and her husband not go to Austin for entertainment, but they have also delayed household repairs such as replacing a microwave that doesn't work. Oldham said she is also questioning whether she and her husband can afford to retire in Round Rock.

Bang for the buck

Doug Diebel moved into his home in Bastrop County in 1996. A modest 2.5 bedroom situated on 7.5 acres, the first house he ever bought.

Over the years, Diebel, 49, has seen his property value and tax bill steadily increase — from \$1,900 a year on his property valued at \$92,000 in 1996 to \$3,200 a year on the same property valued at \$160,000 in 2016.

A divorced father of two, Diebel said he begrudgingly pays the extra money, just like everyone else. For him, it amounts to about an extra \$50 a year.

THE 411 ON YOUR PROPERTY TAXES: How property value, tax rates affect your bill

But he said he sees the benefit of his dollar, particularly in the public school education his son and daughter receive in Elgin.

"It's a lot of money, but at the same time you get a lot out of it also," he said.

Buyers frequently ask Rachel Cox, a real estate agent for JB Goodwin, about taxes in Austin. Word has spread that taxes are higher here, they say. But for those coming from other parts of the country, where real estate and the cost of living is higher, Austin is still a good buy.

Austin's cost of living is 11.1 percent above the national average, according to 2016 rankings from Forbes magazine.

Paying for schooling

The biggest chunk of property tax revenue goes to fund schools.

As the tax bills continue to arrive in the mail, early voting starts Monday on school bond measures in Austin and Leander that could impact future bills.

The Austin school district's \$1.1 billion bond would pay for facilities, including more than a dozen new schools. A centerpiece of the school district's campaign for the bond is that it won't increase the tax rate, a common tactic. That doesn't mean tax bills for schools won't go up, of course, as home values rise.

Critics of the measure say its passage will only make affordability worse.

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Others lay blame on the state, saying the school district could fund maintenance projects or even reduce its tax rate significantly if not for the Texas school finance system, which requires property rich school districts like Austin to help subsidize poorer districts. In the average Austin school tax bill, about \$1,700 is paid to the state to fund other school districts in Texas.

Because of heightened talks and protests about increasing taxes, more people are becoming educated about making room for taxes in their monthly payments since the mortgage payment remains fixed, while the taxes fluctuate, said Anthony Gibson, a real estate agent with Keller Williams.

The knowledge is helping new buyers prepare, but it isn't much help for those who have been in a home for a long time and have little flexibility in their budget, Gibson said. He said he's heard more of those concerns over the past three to four years.

"If you have a budget you have to meet to pay your mortgage and taxes, as soon as those taxes go up 10 percent, it shakes the foundation of what you have to give up just to stay in that home," Gibson said.



AMERICAN-STATESMAN STAFF

Amanda Schnell and her daughter at their ranch in Bastrop County.
The family had to rent out the property and move ... [Read More](#)

Amanda Schnell knows that feeling. When Schnell bought her ranch in Bastrop County in 2009, it was a dream come true, she said. That year the family had been priced out of a home in South Austin and found the perfect four-bedroom house with nearly 9 acres of pasture well suited for her three daughters to run and play.

It was a steal at \$80,000. The family thought they would stay there forever.

But over five years, Schnell saw her property value more than triple, and the tax bill was more than 15 percent of her annual salary.

“This year will probably be my highest tax statement ever,” Schnell said. “I don’t know how people do it.”

In Bastrop County in 2017, property values rose on average about 16 percent. In 2016, values rose nearly 14 percent. Schnell went every year to the appraisal district to fight her appraised value. She said she has seen some relief but not enough to make a difference.

Last year, the family had no choice but to leave the ranch in Bastrop. They rented it out and bought a new place in Taylor, this one for \$112,000. By the time the moving boxes were unpacked, the property value there had doubled.

Now, Schnell is contemplating a third move, this time to Milam County, which she’s heard is more affordable — the rising property values and higher taxes chasing her across Central Texas, like a ghost.

“We’re run off,” she said. “It’s just not possible to live near Austin anymore.”