
Senate Select Committee on Property Tax Reform

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Testimony Presented by:

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Tax Rate and Appraisal Reform

Study and recommend ways to enhance voter engagement in local government decisions around budgets and property tax rates through digital media and social media. Determine how budget and tax rate information should be formatted for effective communication through digital and social media. Identify the ways in which digital and social media present new opportunities for voters to give feedback to local governments. Identify best practices among local governments in Texas and in other states.

Recommendations

- The current “property tax estimate” included as a part of the Notice of Appraisal should be replaced with a web-based “real time tax notice.” The real-time tax notice would inform a property owner, once his/her final value was established, how the proposed tax rates of local taxing units would directly impact their property tax bill.
- All taxing units should be required to maintain a webpage providing basic tax and budget information, as well as contact information for the members of the governing board. That information should be presented in a standardized format, as determined by law or administrative rule.

Hard-to-Answer Property Tax Questions That Shouldn't Be

1. Who do you pay property taxes to?
2. How much in property taxes do you pay?
3. To what jurisdiction do you pay the most in property taxes?
4. How much did your property taxes increase?
5. What jurisdiction increased your property tax bill the most this year?
6. What did that jurisdiction use the new money for?
7. How could you have voiced your opinion on the tax increase before it was adopted?

2016 Notice of Appraised Value

Property ID: 78452169251
 Ownership %: 100.00
 Legal:

John Q. Public
 459 Evergreen Street
 Anytown, Texas 78621

Legal Acres: 0.4000
 Situs:
 OWNER ID:

THIS IS NOT A BILL

Dear Property Owner:

We have appraised the property listed above for the tax year 2016. As of January 1, our appraisal is outlined below:

Appraisal Information		Last Year - 2015	Proposed 2016			
Improvement Homesite Value		\$230,000	\$250,000			
Land Homesite Value		\$35,000	\$40,000			
Total Market Value		\$265,000	\$290,000			
Exemptions						
2015 Taxable Value	Taxing Unit	2016 Proposed Assessed Value	2016 Exemption Amount	2016 Taxable Value	2015 Tax Rate	2016 Estimated Taxes
\$212,000	Travis County	\$290,000	\$58,000	\$252,000	0.416900	\$1,050.59
\$240,000	Austin ISD	\$290,000	\$25,000	\$265,000	1.202000	\$3,185.30
\$249,100	City of Austin	\$290,000	\$23,200	\$266,800	0.458900	\$1,224.35
\$212,000	Travis Central Health District	\$290,000	\$58,000	\$252,000	0.117781	\$296.81
\$260,000	Austin Comm Coll District	\$290,000	\$5,000	\$285,000	0.100500	\$286.43
	Total					\$6,043.48

Website Information for Property Taxes

Property Address: 123 Sycamore Lane
 Legal Description: Lot 18 Block C Frosty Acres Sec 2
 Property Identification ID: 624387
 Market Value: \$280,000

Jurisdiction	Taxable Value	"No New Taxes" Tax Rate (pre \$100 of value)	Proposed Tax Rate	Tax on Property at "No New Taxes" Tax Rate	Tax on Property at Proposed Tax Rate	Proposed Tax Increase	Date of Public Hearing on Tax Rate	Location of Public Hearing
<u>Travis County</u>	\$277,000	\$0.38	\$0.40	\$1,052.60	\$1,108.00	\$55.40	Aug 15, 2017	211 Main St, Austin
<u>Austin Independent School District¹</u>	\$255,000	\$1.38	\$1.38	\$3,519.00	\$3,519.00	\$0.00	Aug 1, 2017	457 Red Rock Ln, Austin
<u>City of Austin</u>	\$280,000	\$0.47	\$0.52	\$1,316.00	\$1,456.00	\$140.00	Aug 18, 2017	477 Sunny Dr, Austin
<u>Austin Community College District</u>	\$280,000	\$0.05	\$0.05	\$140.00	\$140.00	\$0.00	Aug 16, 2017	100 Travis St, Austin
<u>Travis Central Health</u>	\$280,000	\$0.08	\$0.08	\$224.00	\$224.00	\$0.00	Aug 18, 2017	300 Calvert, Austin
Total				\$6,251.60	\$6,447.00	\$195.40		

¹ The school district "no new revenue tax rate" is one which would generate the same amount of state aid and local revenue per weighted student under current school finance formulas as in the previous year.

Note: Clicking on the name of the jurisdiction will launch a web page with the following information for that jurisdiction:

- Members of the Governing Board
- Contact Information for Each Member
- Historical Information for the Jurisdiction on:
 - General Revenues Spending
 - Property Taxes Collected for
 - Maintenance and Operations
 - Debt Service
 - Property Tax Rates
 - Maintenance and Operations
 - Debt Service

Property Tax Data

Evaluate whether existing libraries of property tax data and collection methods are adequate for studying local property tax outcomes and identifying drivers of growing property tax levies. Determine the scope of existing data, where it is stored, and how it is made available to the public. Determine whether existing, available data is adequate for the needs of the legislature and the public. Review existing procedures for the collection and verification of data. Receive recommendations from the comptroller regarding the collection, verification, and publication of property tax data.

Recommendations

- Require data on all taxing jurisdictions be reported to the Comptroller (current law applies only to city, county, and school district taxes).¹
- The Comptroller or appropriate state agency should be given the resources and the authority to verify the property tax data submitted to it.

¹ Tax Code Section 5.09 requires the Comptroller to prepare a biennial report of the appraised and taxable values by property category and the tax rates of each county, municipality, and school district, but does not provide specific authority to verify the information submitted to it..

2017 Special District Sample Property Tax Reporting Errors

Jurisdiction	Reported Levy	Actual Levy	Reason for Error
2016			
Travis County Hospital District	\$598.0 ml	\$172.2 ml	Tax rate reported as \$0.38 rather than \$0.11
Montgomery County Hospital District	\$361.0 ml	\$33.9 ml	Decimal error: Tax rate reported as \$0.67 rather than \$0.067
2017			
Tarrant County College	\$26.8	\$268.4 ml	Decimal error: Taxable value reported as \$19 bl rather than \$191 bl.