



Testimony

Increasing Property Tax Transparency

Testimony before the Senate Select Committee on Property Tax Reform

by the Honorable Talmadge Heflin

Chairman Bettencourt and Members of the Committee:

My name is Talmadge Heflin, and I am the director of the Center for Fiscal Policy at the Texas Public Policy Foundation, a 501(c)(3) non-profit, non-partisan free market think tank based here in Austin. Thank you for inviting me to give testimony on [increasing transparency](#) of local property taxes.

Providing transparency of debt proposals. State law requires political subdivisions to provide only two items of information on the ballot for any given proposition: “the amount their local government entity proposes to borrow and a general description of the purpose,” according to the Texas Comptroller.

The former is inadequate because it does not properly convey the total cost of the bond issuance, while the latter often lacks specificity and is written in legalese that can be open to interpretation. Missing from the ballot is any mention of the bond’s total repayment cost (principal and interest) or how the passage of the bond might affect the average area resident’s pocketbook. This is basic information that every voter should know before deciding *Yea* or *Nay*.

To help voters bridge this knowledge gap and improve the overall transparency of the system, the Texas Legislature should require every new bond proposition to include, at a minimum, the following [information on the ballot](#):

- Estimated combined principal and interest required to pay the proposed bonds on time and in full; and
- Estimated tax impact on the average area homeowner that is expected from the passage of the bond.

Arming each and every Texan with this sort of basic financial information is a critical first step in making sure that voters are informed and making sound decisions about their property tax liability. This information could not only make a critical difference at the voting booth but also online. Such information could easily be shared through various social media channels were it to be made available prior to the election being held.

Moving Away from the Jargon. During the First Called Special Session of the 85th Texas Legislature, legislation was advanced that would have, among other things, eased the use of complicated jargon. For example, [House Bill 3](#) would have renamed the “effective tax rate” to the “no-new-revenue tax rate.” It would have also renamed the “effective maintenance and operations rate” to the “no-new-revenue maintenance and operations rate.”

While that particular piece of legislation did not pass last session, there is much merit to the idea. It is difficult to think that a majority of taxpayers can and do derive much meaning from a system that is littered with hard-to-understand jargon.

Increasing transparency of property taxes by providing more information related to the costs of bond proposals along with simplifying complicated jargon will allow Texas taxpayers to be better informed of their tax burden. Thank you for your time, and I look forward to answering questions.



The Honorable Talmadge Heflin is the director of the Texas Public Policy Foundation’s Center for Fiscal Policy. Prior to joining the Foundation, Heflin served the people of Harris County as a state representative for 11 terms. Well-regarded as a legislative leader on budget and tax issues by Democratic and Republican speakers alike, he for several terms was the only House member to serve on both the Ways and Means and the Appropriations committees. In the 78th Session, Heflin served as chairman of the House Committee on Appropriations. He navigated a \$10 billion state budget shortfall through targeted spending cuts that allowed Texans to avoid a tax increase.