



Reining in Skyrocketing Local Property Taxes

Testimony before the Texas Senate Property Tax Committee

by Vance Ginn, Ph.D.

Chairman Bettencourt and Members of the Committee:

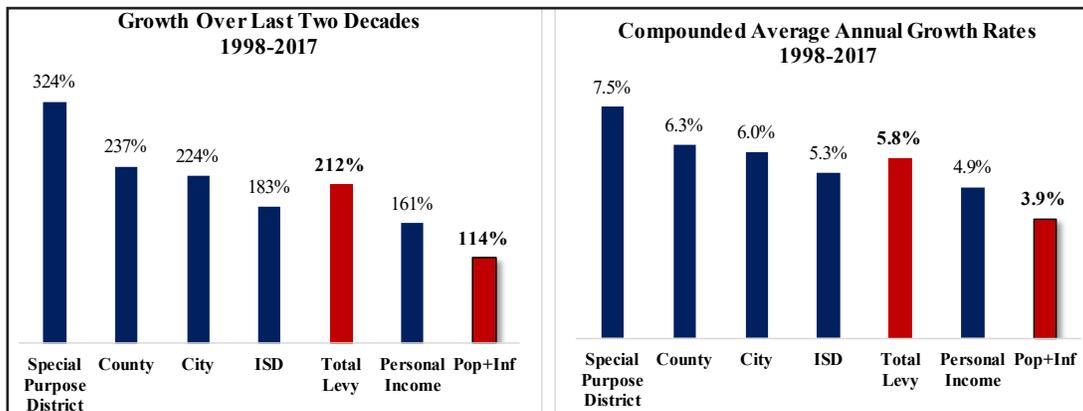
My name is Dr. Vance Ginn, and I am a senior economist and director of the Center for Economic Prosperity at the Texas Public Policy Foundation. Thank you for [inviting me to testify](#). I am here in support of [Senate Bill 2](#).

Institutions, like the [Texas Model](#) of limited government, matter to our prosperity. Texas ranks as America's [third most economically free state](#) according to the Fraser Institute and is where [22 percent of all jobs added nationwide were created](#) since December 2007. But the burden of skyrocketing local property taxes forces too many Texans out of their homes and businesses. During the last 20 years, this burden has increased across local tax jurisdictions faster than the average taxpayer's ability to pay, as appropriately measured by population growth and inflation—but also if measured by personal income.

According to the rule of 72, the [average annual growth rate of 5.8 percent](#) for the total property tax levy means that it has been doubling about every 12 years—specific levies doubling faster. Considering this growth has exceeded the average taxpayer's ability to pay for decades, the time is now for reining in the growth of this excessive burden even more. Fortunately, Senate Bill 2 would slow this growth rate by imposing a 2.5 percent property tax revenue trigger whereby a local tax jurisdiction desiring to raise revenue above this rate would automatically trigger an election in November. This could cut the revenue growth rate by more than half, whereby property taxes could not double but every 29 years.

Cutting the growth rate by more than half is a great start to keeping Texans from being taxed out of homes and businesses and improving housing affordability. We recommend removing the small jurisdiction exemption to not pick winners and losers and recommend imposing efficiency audits for jurisdictions where voters approve a rollback election. We look forward to working with you on this key reform and building on it to [eliminate the school M&O property tax](#) over time by reining in government spending.

Property Taxes > Texans' Ability to Pay



Thank you for your time and the work you do, and I look forward to continued discussion on this topic. ★

Vance Ginn, Ph.D., is a senior economist and director of the Center for Economic Prosperity at the Texas Public Policy Foundation, a 501(c)(3) non-profit, non-partisan free market think tank based in Austin. He is an expert on economic and fiscal issues and an author of research to let people prosper by removing government barriers in Texas, D.C., and beyond.

About Texas Public Policy Foundation

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The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

