



Property Tax Profile: Travis County

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Key Points

- Travis County homeowners' property tax bills have skyrocketed in recent years, growing from \$5,471 in 2015 to \$8,430 in 2020.
- From 2015 to 2020, the area's property taxes rose 54%, while Austin's population increased just 11%.
- Struggling taxpayers need area governments to take aggressive action to ease the burden.

Property taxes in Travis County, Texas, have risen sharply in recent years. The surge is obvious in residents' annual tax bills.

In 2015, the owner of a homestead valued at \$250,000 paid property taxes totaling \$5,471 ([Travis County, n.d.-a, p. 2](#)). Of the taxes taken by Travis County taxing entities, the largest share went to the following entities:

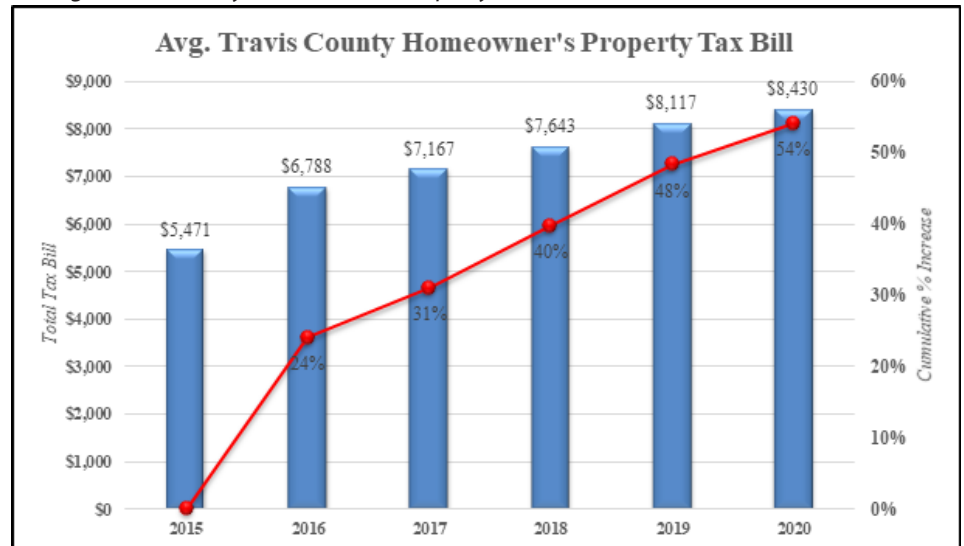
Austin ISD	\$2,872
City of Austin	\$1,202
Travis County	\$913
Central Health	\$253
Austin Community College	\$231

By 2020, that average homeowner's property tax bill rose to \$8,430, representing an absolute increase of \$2,959 in that short span ([Travis County, n.d.-b, p. 2](#)). Of the taxes paid, the greatest amount went to the following entities:

Austin ISD	\$4,595
City of Austin	\$1,733
Travis County	\$1,284
Austin Community College	\$451
Central Health	\$367

From 2015 to 2020, the average homeowners' tax bill increased 54%. By comparison, Austin's population grew only 11% over the same period ([City of Austin, 2019](#)).

Figure 1
Average Travis County Homeowner's Property Tax Bill



Note. Data from *Planning & Budget* (Budget in Brief planning documents), Travis County, n.d.-c (<https://www.traviscountytexas.gov/planning-budget>).

The seemingly inexorable march of property taxes in Central Texas has not been without consequence. Skyrocketing tax bills are exacerbating an affordability crisis. Due to high housing costs, many families are fleeing the urban core for more affordable property farther out, as evidenced by Austin ISD's long-term enrollment decline.¹

Given the current state of affairs, taxpayers need bold and aggressive action from their local elected officials. Travis County governments—many of them currently discussing their budgets and tax rates for the upcoming fiscal year—should aim to ease the financial burden on homeowners and minimize their footprint. Specific ideas to move in that direction include the following:

- **Adopt the No-New-Revenue Property Tax Rate or a Lower Tax Rate.** At a minimum, area governments should adopt the no-new-revenue tax rate for fiscal year 2021. The no-new-revenue tax rate is the “tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years” ([Texas Comptroller of Public Accounts, n.d.](#)). Ideally, governing bodies would adopt tax rates that are substantially lower than the no-new-revenue tax rate, bringing immediate tax relief to homeowners.
- **Use Zero-Based Budgeting.** Zero-based budgeting is a technique that public finance professionals can use to build a budget from the ground up. It is premised on the belief that “no costs or activities should be automatically carried over from one budget to the next” ([Heflin & Wohlgemuth, 2011, p. 1](#)). This approach is highly effective at closing budget shortfalls with available

resources and eliminating the need for future tax increases. Additionally, any efficiencies realized can be redirected to providing tax relief.

- **Conduct an Efficiency Audit.** Area governments should voluntarily submit to a third-party efficiency audit. This type of audit looks at a government's budget and operations to examine fiscal management, managerial practices, and the utilization of resources. Any efficiencies gained from the implementation of recommendations contained in a completed audit can be returned to taxpayers in the form of lower taxes.
- **Delay Going Into Debt.** Area governments should forgo seeking voter approval of any new tax-supported debt and abstain from issuing any additional certificates of obligation. By ceasing to borrow for a time, local officials will avoid the imposition of any new tax.
- **Rightsize Payroll Costs.** For the coming fiscal year, local decision-makers should either begin or continue to freeze hiring on open positions, suspend across-the-board pay raises, eliminate longevity pay, and pause travel and training programs for nonessential employees. These actions promise to mitigate growing costs and create an environment where tax relief is more probable.

Travis County homeowners need Austin-area governments to change course—and soon. There is a serious housing affordability crisis—to which excessively high property taxes have contributed—unfolding in Central Texas that keeps many from living their American Dream. Local elected officials must begin the process of implementing meaningful reform now. ★

¹ In November 2019, one school board trustee ([Honest Austin, 2019](#)) noted: “The Austin ISD's precipitous decline in enrollment is largely due to the increasing lack of affordability in Austin, and I look forward to seeing how affordable housing will be prioritized at our Metz, Brooke and Allan sites.”

References

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