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GOVERNMENT

Time to talk about the hidden property tax

By Daniel Gonzalez, Aug. 22, 2016



Photo by Todd Wiseman

“The tax rate is going down.”

How many times have you heard this wonderful news — only to get your bill and find that your taxes have actually skyrocketed?

A perfect example is a recent headline in the *Fort Worth Star-Telegram* that read, “[Fort Worth council considering lowering property tax rate by two cents.](#)” But even with that two-cent reduction, the city still anticipates generating an additional \$24 million, primarily because of increased appraisal values. The headline should have been, “Fort Worth council to increase property taxes \$24 million.”

It’s a kick in the teeth to taxpayers, and at the Texas Association of Realtors, we call it the hidden property tax.

Texans enjoy a robust economy, and the values of our homes and businesses have increased dramatically. Those are good things. But property owners also pay some of the highest property taxes in the country — and many



your property tax bill can also go up, even if your tax rate goes down or stays the same. Any tax rate adopted by a taxing entity above the effective tax rate — that is, the rate that will ensure the entity brings in the same amount of money as it did last year — will add to your bill.

An increase in property value should not be an automatic increase in property tax revenue. A more honest and transparent conversation needs to occur so taxpayers completely understand why more tax revenue is needed. But the current system is confusing, and it ends up with more Texans seeing a hidden property tax increase.

The process is starting right now: Every year in August, cities, counties, school districts and other taxing entities determine their budgets for the following year. One step in this process is to set the tax rate, and once the tax rate is adopted, there's no going back.

So what can you do? You're paying more in property taxes, and local officials should be accountable. That's where the Texas Legislature, the media and you should step in.

State lawmakers should rein in local taxing entities that hide behind annual appraisal increases to raise more tax revenue. The media should become more informed about property taxes rather than writing misleading headlines about lower tax rates.

And — most importantly — you, the taxpayer, should get involved. Educate yourself. Go to the budget hearings where tax rates are set. Voice your concern. Demand your local elected officials adopt the effective tax rate. Exercise your right to vote in local elections.

Join our effort to ensure we have a more honest and transparent property tax system in Texas. Help us change state law to empower you, the property taxpayer, so you aren't taxed out of your home. Visit HiddenPropertyTax.com for more information, and sign up to be kept up-to-date on our efforts to change the local property tax system.



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