

School Property Tax

The Texas Constitution authorizes local governments to levy property taxes. Property taxes are levied by counties, cities, school districts, and special districts such as junior colleges, hospitals, and flood control districts. School property taxes represented 54.4 percent of the total property taxes levied in tax year 2009.

The total school property tax levied by school districts in 2009 was \$21.8 billion.

There is no state property tax; nevertheless, property taxes levied by school districts are important to the state because they help determine how much state money is forwarded to school districts to support public education.

There are two types of school property tax levies: one to cover maintenance and operating costs (M&O), and the other to pay interest and sinking fund (I&S) debt service for financing building programs. In tax year 2009, the statewide weighted average M&O tax rate was \$1.043 per \$100 valuation, and the I&S tax rate was \$0.249 per \$100 valuation, for a combined statewide weighted average school tax rate of \$1.292 per \$100 valuation.

All real and tangible personal property, unless required or permitted to be exempt by the Texas Constitution, must be taxed in proportion to its value. Under the Tax Code, Section 11.02, most intangible personal property is not taxable. To receive property tax exemptions or special appraisals, in most cases a person must file an application with the county appraisal district that serves the taxing units in which the property is located.

The estimated cost of the exemptions or special appraisals, shown in **Table 10**, reflects anticipated school property tax rates. The exemptions or special appraisals are explained below:

Table 10

Cost of School Property Tax Exemptions or Special Appraisals

Tax Year 2011 to 2016 – In millions of dollars

Tax Code Section	Item	2011	2012	2013	2014	2015	2016
11.11	Public property (state and local)	cbe	cbe	cbe	cbe	cbe	cbe
11.111	Public property for housing indigent persons	cbe	cbe	cbe	cbe	cbe	cbe
11.12	Federal exemptions	cbe	cbe	cbe	cbe	cbe	cbe
	Residence Homesteads:						
11.13(b)	Mandated \$15,000 exemption	\$1,000.5	\$1,028.1	\$1,056.4	\$1,085.3	\$1,114.8	\$1,145.0
11.13(c)	Mandated \$10,000 exemption: age 65 and older or disabled	193.7	203.2	213.1	222.9	233.6	244.3
11.13(d)	Optional exemption: age 65 and older or disabled	100.3	104.0	107.8	111.5	115.6	119.6
11.13(n)	Optional exemption of up to 20 percentage	456.2	461.5	467.6	475.3	483.2	491.1
11.14	Personal property not used for producing income	cbe	cbe	cbe	cbe	cbe	cbe
11.145	Income-producing personal property valued under \$500	cbe	cbe	cbe	cbe	cbe	cbe

(continued)

Table 10 (continued)

Cost of School Property Tax Exemptions or Special Appraisals
 Tax Year 2011 to 2016 – In millions of dollars

Tax Code Section	Item	2011	2012	2013	2014	2015	2016
11.146	Mineral interest valued under \$500	cbe	cbe	cbe	cbe	cbe	cbe
11.15	Family supplies for home or farm use	cbe	cbe	cbe	cbe	cbe	cbe
11.16	Farm products	cbe	cbe	cbe	cbe	cbe	cbe
11.161	Implements of husbandry	cbe	cbe	cbe	cbe	cbe	cbe
11.17	Cemeteries	cbe	cbe	cbe	cbe	cbe	cbe
Charitable Organizations:							
11.181	Improving property for housing	1.6	1.6	1.7	1.7	1.8	1.8
11.182	Community housing development organizations improving property for housing	*	*	*	*	*	*
11.1825	Constructing or rehabing housing not previously exempt	cbe	cbe	cbe	cbe	cbe	cbe
11.183	Assisting ambulatory health care centers	cbe	cbe	cbe	cbe	cbe	cbe
11.184	Performing charitable functions	cbe	cbe	cbe	cbe	cbe	cbe
11.185	Developing model colonia subdivisions	cbe	cbe	cbe	cbe	cbe	cbe
11.19	Youth spiritual, mental, and physical development organizations	cbe	cbe	cbe	cbe	cbe	cbe
11.20	Religious organizations	cbe	cbe	cbe	cbe	cbe	cbe
11.21	Private Schools	cbe	cbe	cbe	cbe	cbe	cbe
11.22, 11.131	Disabled veterans	68.0	72.1	76.5	81.1	85.9	91.1
11.23	Miscellaneous exemptions	cbe	cbe	cbe	cbe	cbe	cbe
11.231	Providing economic development services to local community	cbe	cbe	cbe	cbe	cbe	cbe
11.24	Historic or archeological sites	4.2	4.2	4.3	4.4	4.6	4.7
11.25	Marine cargo containers	cbe	cbe	cbe	cbe	cbe	cbe
11.251, 11.437	Freeport property and cotton stored in warehouses	262.9	266.7	271.6	279.1	286.7	294.4
11.252	Motor vehicles leased for personal use	20.1	20.6	21.7	23.9	26.5	29.4
11.253	Tangible personal property in transit	0.4	0.4	0.4	0.4	0.4	0.4
11.254	Motor Vehicles for income production and personal use	cbe	cbe	cbe	cbe	cbe	cbe
11.26	School tax ceiling: age 65 and older or disabled	635.9	646.1	660.4	683.1	706.4	730.4
11.27	Solar and wind energy devices	3.8	3.9	3.9	4.0	4.1	4.3
11.271	Offshore drilling equipment not in use	cbe	cbe	cbe	cbe	cbe	cbe
11.28	Tax abatement agreement	4.6	3.7	3.0	2.4	2.0	1.6
11.29	Intracoastal waterway dredge disposal site	cbe	cbe	cbe	cbe	cbe	cbe
11.30	Nonprofit water or wastewater corporation	cbe	cbe	cbe	cbe	cbe	cbe
11.31	Pollution control property	115.2	116.9	119.1	122.3	125.6	129.0
11.32	Certain water conservation initiatives	cbe	cbe	cbe	cbe	cbe	cbe
11.33	Raw cocoa and green coffee held in Harris County	cbe	cbe	cbe	cbe	cbe	cbe
11.34	Limitation on certain properties in certain municipalities	cbe	cbe	cbe	cbe	cbe	cbe
23.23	Limitation on appraised value of residence homestead (10% cap)	105.2	100.9	96.8	92.8	89.0	85.4
23.41-23.9803	Special appraisal for agriculture and timber land	2,702.8	2,741.5	2,792.6	2,869.0	2,947.0	3,026.6
23.48-23.60	Agricultural and open-space land reappraisal for temporary tick quarantine	cbe	cbe	cbe	cbe	cbe	cbe
Ch. 311	Tax Increment Financing Act	159.2	156.7	154.3	151.9	149.5	147.1
Ch. 313	Texas Economic Development Act	164.5	201.9	218.4	229.7	255.6	297.3
Total	School Property Tax Exemptions or Special Appraisals	\$5,999.0	\$6,134.1	\$6,269.6	\$6,441.0	\$6,632.2	\$6,843.3

"Tax Year" is equivalent to calendar year.
 cbe: cannot be estimated because of unavailable appraisal data.
 *Negligible.
 Note: Columns may not sum because of rounding.