



Texas School Coalition

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TAXPARENCY – HB 569 BY REP. CAPRIGLIONE

Background:

- Property values have risen substantially over the past 10 years in Texas, which has resulted in increased school property tax payments for many taxpayers. While other taxing entities, such as cities and counties, can use the increased revenue from rising property values to reduce their property tax rates, school districts play by a different set of rules.
- When property taxpayers are required to remit higher payments to their local school district, many wrongly assume that the increased dollars equate to increased resources for their school district.
- In reality, in those districts that are considered “property wealthy” and are subject to equalization under the law, increased property values and the resultant increased revenue translates into the district paying more in Robin Hood recapture. When local taxpayers write higher checks, it simply means the local district must send more money to the state.
- In other districts, increased values and revenue mean that a greater share of the operations of the school district are paid by local taxpayers, rather than the state. As values increase, the State of Texas can send less in state resources to that school district. That doesn’t mean the school district has any more money, only that local taxpayers are covering more of what it takes to operate the schools.

This legislation would:

- Increase the amount of transparency available to taxpayers so that they have a better understanding of how their tax dollars will be used.
- Make it clear to local property taxpayers through their tax bills how their school property tax payment is allocated between the school district and the state.
 1. Taxpayers in districts required to pay Robin Hood recapture will receive information regarding the percent of the local property tax payment that will be used in their local school district, and the percentage of their payment that will be sent to the state.
 2. Taxpayers in other districts will receive information regarding the percentage of their local school district’s operations that will be paid for through local taxes, and the percentage funded by state funds, compared to the same two numbers from the previous tax year.