

Property Taxes at Texas Community Colleges

Community Colleges Required to Levy Tax. The Governing Boards of all 50 Texas community college districts are required by state law to levy annual ad valorem taxes for the maintenance and operation of district facilities (M&O taxes). They may also levy taxes to finance repayment of bonds issued for capital projects, like constructing buildings and purchasing land (I&S taxes). Various caps apply to these taxes. State law caps the I&S rate at 50 cents per \$100 of property value and the total tax rate at one dollar per \$100 valuation (*Texas Education Code*, Sec. 130.22). State law also mandates that each district calculate a “rollback rate”, which is the tax rate under which the same property would produce the same tax revenue plus 8% (under current law). If the assessed tax rate exceeds the rollback rate, the district must hold an election to obtain voter approval.

Forty-nine of 50 Texas community college districts responded to TACC’s FY 2019 Local Revenue Survey. Fiscal Year (FY) 2019 findings are based on survey response data; FY 2018 findings are based on the Texas Higher Education Coordinating Board’s (THECB) tax and revenue databases.¹

- For FY 2019, the average M&O rate is \$.1543 per \$100 valuation
 - For FY 2018, the average M&O rate was \$.16 per \$100 valuation
- For FY 2019, the average I&S rate among districts who assessed an I&S tax is \$.0640 per \$100 valuation, with 30 districts assessing the tax
 - For FY 2018, the average I&S rate among districts who assessed and I&S tax was \$.0446, also with 30 districts assessing the tax
- With 49 districts reporting, the FY 2019 total net taxable central district property valuation is \$1.79 trillion, averaging \$35.8 billion per district
 - The FY 2018 total certified net taxable central district property valuation was \$1.68 trillion, average \$33.57 billion each.
- The estimated total statewide tax levy for FY 2019 is \$2.37 billion, averaging \$48.4 million per district.
 - The estimated statewide tax levy for FY 2018 was \$2.23 billion, average \$44.7 million per district.

Branch Campus Maintenance Tax Districts

The governing body of a school district that is outside the community college taxing district but within the service area may levy a branch campus maintenance tax, which may not exceed five cents per \$100 valuation (*Education Code* Sec.

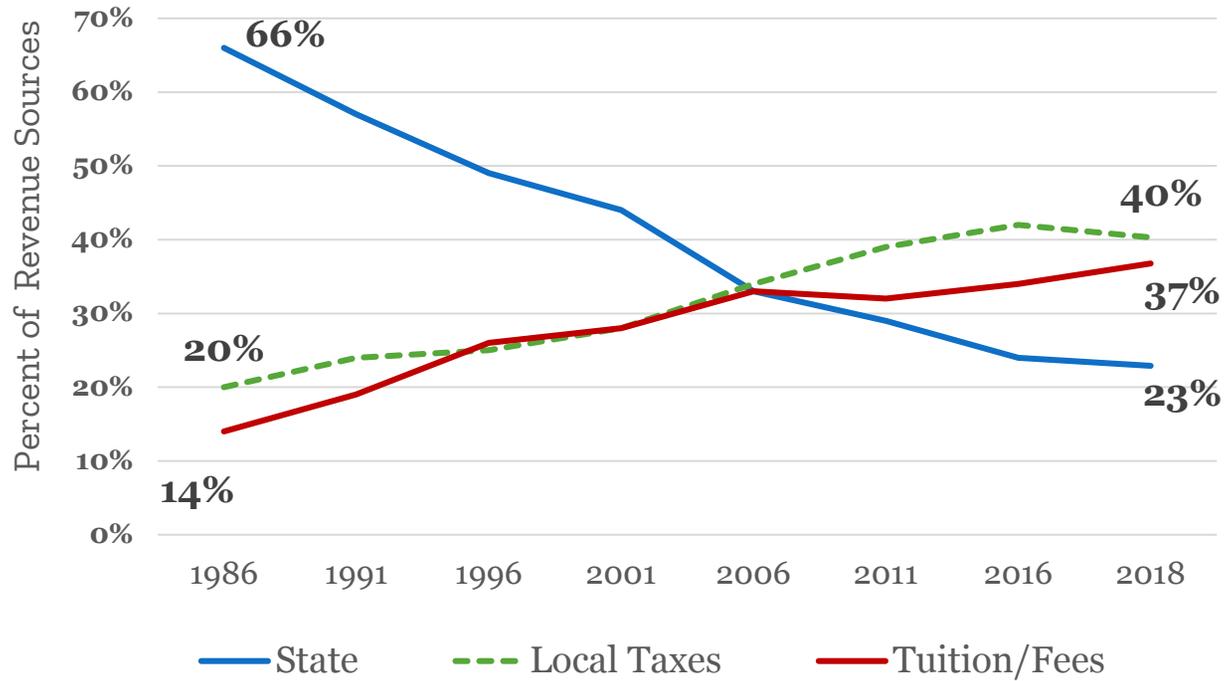
¹ Publicly available at <http://www.thecb.state.tx.us/index.cfm?objectid=95480720-329D-11E8-BC500050560100A9>

130.253). According to the survey results, 9 Texas community colleges currently have Branch Campus Maintenance Districts.

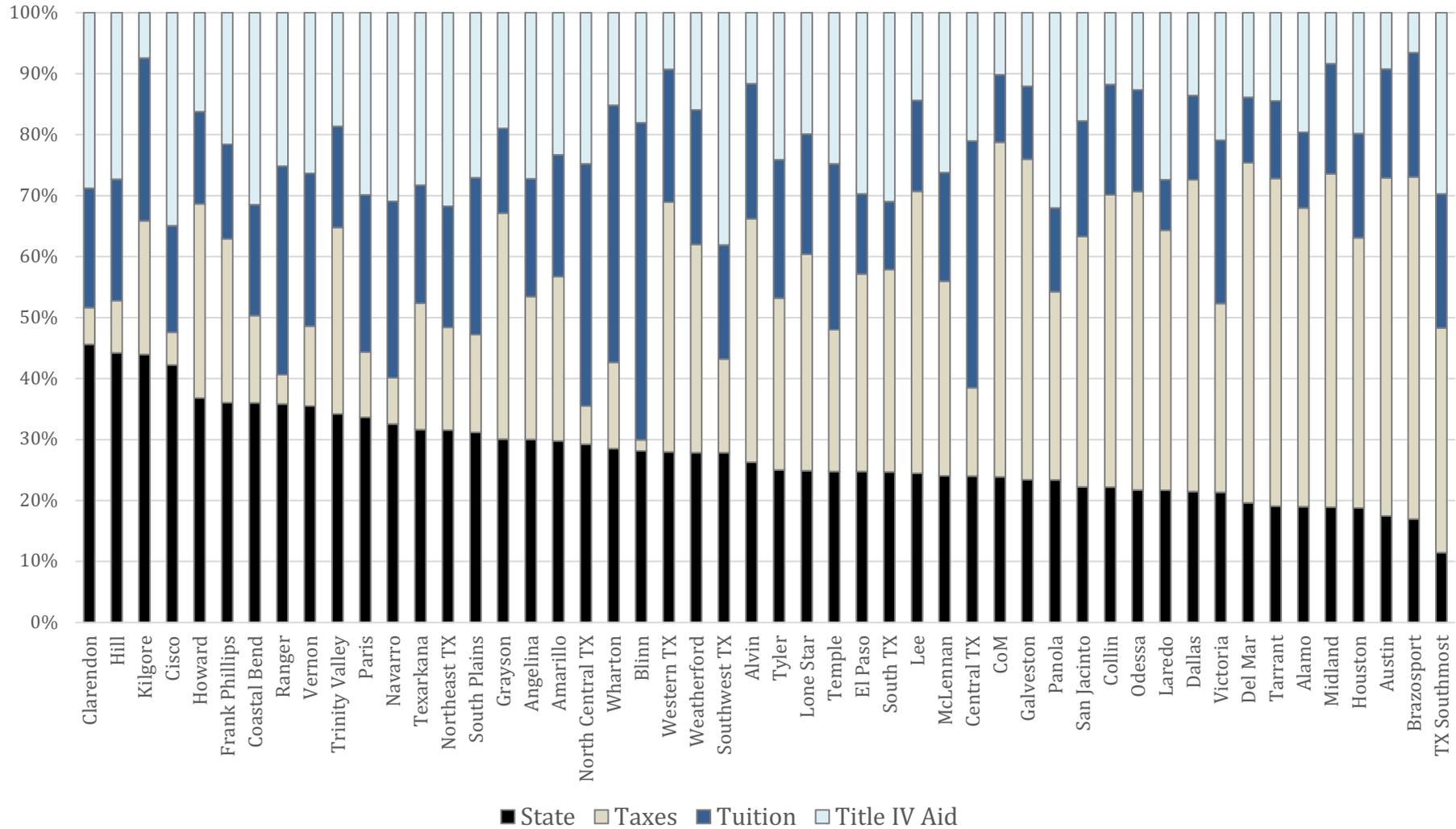
Summary of Community College Property Taxes, FY 2009-2019

| | FY 09 | FY 11 | FY 13 | FY 15 | FY 17 | FY 19 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Avg M&O rate | \$ 0.1335 | \$ 0.1495 | \$ 0.1381 | \$ 0.1454 | \$ 0.1737 | \$ 0.1543 |
| Avg I&S rate | \$ 0.0322 | \$ 0.0525 | \$ 0.0378 | \$ 0.0377 | \$ 0.0388 | \$ 0.0640 |
| Avg total rate | \$ 0.1495 | \$ 0.1779 | \$ 0.1593 | \$ 0.1680 | \$ 0.1962 | \$ 0.1932 |
| Total valuation (billions) | \$ 1,113 | \$ 1,122 | \$ 1,180 | \$ 1,345 | \$ 1,572 | \$ 1,787 |
| Avg valuation (millions) | \$ 22,259 | \$ 22,439 | \$ 23,602 | \$ 26,901 | \$ 31,436 | \$ 35,772 |
| Est. total levy (millions) | \$ 1,314 | \$ 1,439 | \$ 1,559 | \$ 1,801 | \$ 2,095 | \$ 2,373 |
| Est. avg levy (millions) | \$ 26.28 | \$ 28.79 | \$ 31.19 | \$ 36.02 | \$ 41.91 | \$ 48.43 |

Composition of Primary Community College Revenue by Source, 1986-2018



Relative Composition of FY 2018 Primary Operating Revenue at Texas Community Colleges, by Source

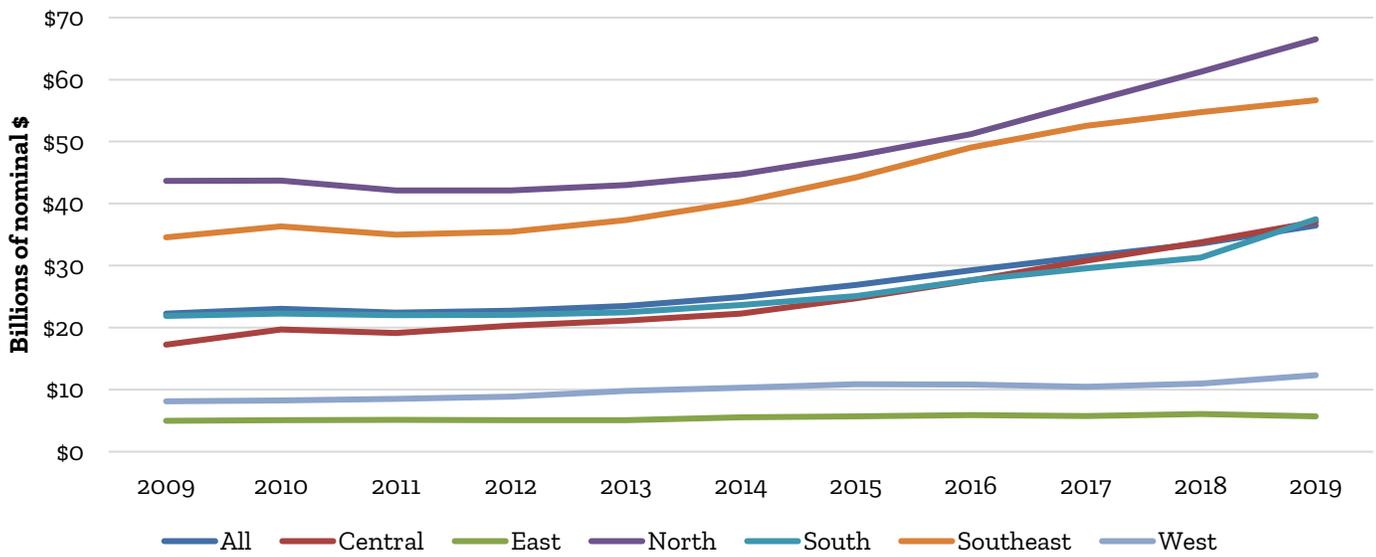


Statewide, legislative appropriations account for 23% of community college's primary operating revenues, local taxes account for 40%, and tuition (including Title IV) accounts for about 37%.

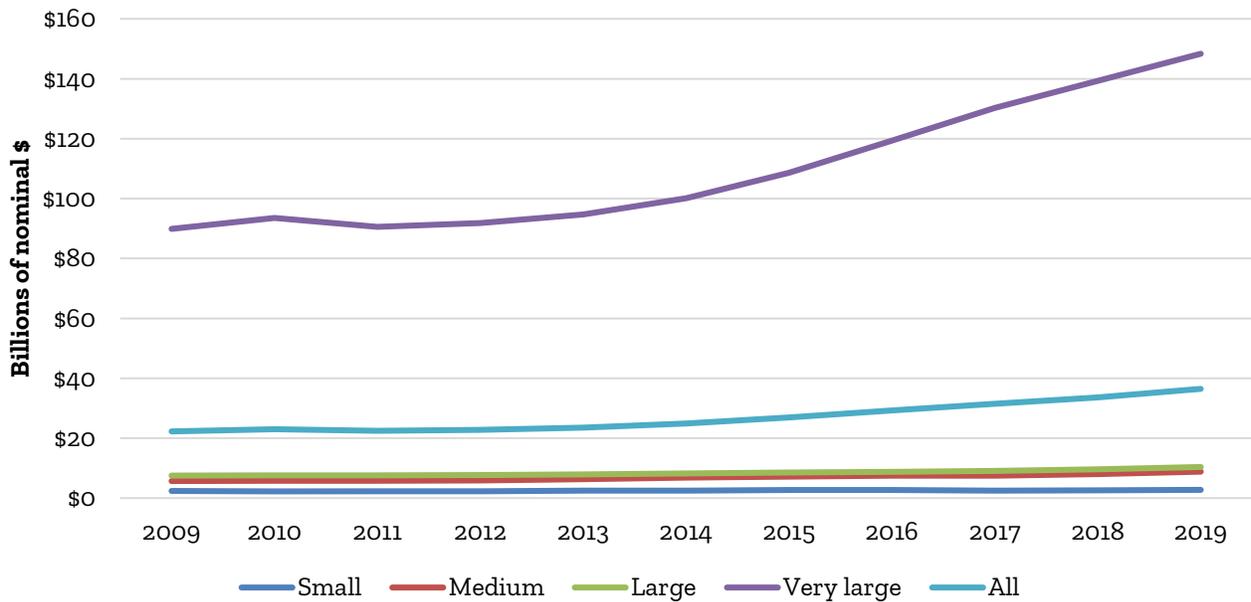
| College District | FY 2019 Local Property Taxes | | | | |
|------------------|------------------------------|----------------------|-------------------|-------------------|-------------------------|
| | Net Taxable Valuation | M&O Rate | I&S Rate | Total Rate | FY 19 Levy Est |
| Alamo | \$ 160,621,975,039 | \$ 0.10776 | \$ 0.04139 | \$ 0.14915 | \$ 239,567,676 |
| Alvin | \$ 10,020,331,054 | \$ 0.17180 | \$ 0.01597 | \$ 0.18778 | \$ 18,815,677 |
| Amarillo | \$ 17,006,312,916 | \$ 0.16499 | \$ 0.04251 | \$ 0.20750 | \$ 35,288,099 |
| Angelina | \$ 4,378,157,985 | \$ 0.14157 | \$ 0.03943 | \$ 0.18099 | \$ 7,924,116 |
| Austin | \$ 218,437,990,429 | \$ 0.09000 | \$ 0.01480 | \$ 0.10480 | \$ 228,923,014 |
| Blinn | \$ 3,585,802,971 | \$ 0.06010 | \$ - | \$ 0.06010 | \$ 2,155,068 |
| Brazosport | \$ 9,325,856,432 | \$ 0.25070 | \$ 0.04780 | \$ 0.29850 | \$ 27,837,681 |
| Central TX | \$ 9,810,673,557 | \$ 0.13860 | \$ - | \$ 0.13860 | \$ 13,597,594 |
| Cisco | \$ 568,481,570 | \$ 0.20000 | \$ - | \$ 0.20000 | \$ 1,136,963 |
| Clarendon | \$ 231,347,592 | \$ 0.25115 | \$ - | \$ 0.25115 | \$ 581,027 |
| Coastal Bend | | | | | |
| Collin | \$ 11,170,021,940 | \$ 0.21276 | \$ - | \$ 0.21276 | \$ 23,764,780 |
| CoM | \$ 138,138,232,532 | \$ 0.07819 | \$ 0.00303 | \$ 0.08122 | \$ 112,198,635 |
| Dallas | \$ 250,711,265,787 | \$ 0.10400 | \$ 0.02000 | \$ 0.12400 | \$ 310,881,970 |
| Del Mar | \$ 27,314,695,623 | \$ 0.20969 | \$ 0.07219 | \$ 0.28189 | \$ 76,996,030 |
| El Paso | \$ 43,068,830,818 | \$ 0.14027 | \$ - | \$ 0.14027 | \$ 60,413,941 |
| Frank Phillips | \$ 1,122,134,030 | \$ 0.22000 | \$ 0.05000 | \$ 0.27000 | \$ 3,029,762 |
| Galveston | \$ 7,933,306,784 | \$ 0.17519 | \$ - | \$ 0.17519 | \$ 13,898,360 |
| Grayson | \$ 10,471,485,127 | \$ 0.14239 | \$ 0.03494 | \$ 0.17733 | \$ 18,569,503 |
| Hill | \$ 1,728,106,984 | \$ 0.09413 | \$ - | \$ 0.09413 | \$ 1,626,702 |
| Houston | \$ 203,020,604,127 | \$ 0.07675 | \$ 0.02351 | \$ 0.10026 | \$ 203,554,548 |
| Howard | \$ 4,323,340,523 | \$ 0.20015 | \$ 0.03216 | \$ 0.23232 | \$ 10,043,812 |
| Kilgore | \$ 3,791,384,027 | \$ 0.17500 | \$ - | \$ 0.17500 | \$ 6,634,922 |
| Laredo | \$ 14,103,401,890 | \$ 0.25507 | \$ 0.07204 | \$ 0.32710 | \$ 46,132,651 |
| Lee | \$ 13,600,763,264 | \$ 0.22410 | \$ 0.02600 | \$ 0.25010 | \$ 34,015,509 |
| Lone Star | \$ 195,422,496,226 | \$ 0.08000 | \$ 0.02780 | \$ 0.10780 | \$ 210,665,451 |
| McLennan | \$ 17,483,708,634 | \$ 0.11543 | \$ 0.03227 | \$ 0.14770 | \$ 25,822,738 |
| Midland | \$ 26,119,861,773 | \$ 0.10436 | \$ 0.01036 | \$ 0.11472 | \$ 29,964,967 |
| Navarro | \$ 3,451,642,014 | \$ 0.12180 | \$ - | \$ 0.12180 | \$ 4,204,100 |
| North Central TX | \$ 3,833,612,176 | \$ 0.08080 | \$ 0.02940 | \$ 0.11020 | \$ 4,224,641 |
| Northeast TX | \$ 3,921,894,034 | \$ 0.07864 | \$ 0.05136 | \$ 0.13000 | \$ 5,098,462 |
| Odessa | \$ 13,894,189,122 | \$ 0.16965 | \$ 0.03001 | \$ 0.19966 | \$ 27,741,138 |
| Panola | \$ 3,303,442,240 | \$ 0.20564 | \$ 0.06475 | \$ 0.27039 | \$ 8,932,177 |
| Paris | \$ 3,412,103,800 | \$ 0.08500 | \$ - | \$ 0.08500 | \$ 2,900,288 |
| Ranger | \$ 157,006,610 | \$ 0.01393 | \$ 0.37959 | \$ 0.39351 | \$ 617,841 |
| San Jacinto | \$ 54,820,133,798 | \$ 0.12721 | \$ 0.05212 | \$ 0.17933 | \$ 98,308,398 |
| South Plains | \$ 2,708,018,313 | \$ 0.39573 | \$ - | \$ 0.39573 | \$ 10,716,468 |
| South TX | \$ 38,379,413,533 | \$ 0.14000 | \$ 0.03800 | \$ 0.17800 | \$ 68,315,356 |
| Southwest TX | \$ 3,415,285,245 | \$ 0.16520 | \$ - | \$ 0.16520 | \$ 5,642,051 |
| Tarrant | \$ 180,908,726,158 | \$ 0.13607 | \$ - | \$ 0.13607 | \$ 246,162,504 |
| Temple | \$ 4,865,631,900 | \$ 0.14341 | \$ 0.05454 | \$ 0.19795 | \$ 9,631,518 |
| Texarkana | \$ 5,597,670,610 | \$ 0.11812 | \$ - | \$ 0.11812 | \$ 6,611,689 |
| Trinity Valley | \$ 11,694,950,405 | \$ 0.11525 | \$ 0.04716 | \$ 0.16241 | \$ 18,993,418 |
| TX Southmost | \$ 9,530,717,299 | \$ 0.13854 | \$ - | \$ 0.13854 | \$ 13,203,856 |
| Tyler | \$ 11,568,762,446 | \$ 0.15800 | \$ 0.04193 | \$ 0.19993 | \$ 23,128,964 |
| Vernon | \$ 1,160,823,220 | \$ 0.23147 | \$ - | \$ 0.23147 | \$ 2,686,946 |
| Victoria | \$ 6,871,925,964 | \$ 0.18280 | \$ 0.04070 | \$ 0.22350 | \$ 15,358,755 |
| Weatherford | \$ 12,627,041,048 | \$ 0.11399 | \$ 0.00548 | \$ 0.11947 | \$ 15,085,526 |
| Western TX | \$ 2,564,734,073 | \$ 0.31120 | \$ - | \$ 0.31120 | \$ 7,981,452 |
| Wharton | \$ 4,720,945,935 | \$ 0.14346 | \$ - | \$ 0.14346 | \$ 6,772,669 |
| Total | \$ 1,786,919,239,577 | \$ 0.15429 | \$ 0.02941 | \$ 0.18370 | \$ 2,366,359,412 |
| | | <i>State average</i> | | | |

*Central districts only; does not include Branch Campus Maintenance Districts

Average Net Taxable Valuation of TX Community Colleges by Region and Year



Average Net Taxable Valuation of TX Community Colleges, by Size Group and Year



Annual Percent Change in TX Community College Property Tax Valuations and Estimated Tax Levies, FY 2009-10 to FY 2018-19

