



NOVEMBER/DECEMBER 2023

# FISCAL NOTES

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## Regular Session Wrap-Up of Texas' 88th Legislature

By Spencer Grubbs



### PUTTING RECORD-BREAKING REVENUE TO WORK FOR TEXANS

The Texas economy determines the amount of revenue the state generates and even can cause the state's budget to swing drastically from one biennium to the next.

The Texas Legislature charts the state's path forward by writing a budget when it meets in regular session for five months at the Capitol every odd-numbered year.

When working with a shortfall, lawmakers may be forced to cut spending, which means downsizing or even eliminating certain programs. When lawmakers have more funding available, they may cut taxes, boost or expand select programs, and make new investments.

But the 88th Legislature's Regular Session — one marked by record revenues — entered uncharted territory.

"Most state budgets can focus on only one major issue — that is, if the economy has outperformed expectations," says Texas Comptroller Glenn Hegar. "However, the 2024-25 budget cycle was unprecedented in the extent to which lawmakers could focus on an array of issues facing everyday Texans."

Lawmakers directed this historic funding to critical improvements, including further investment in the

state's electric grid, broadband internet accessibility and water supply planning, as well as funding for school property tax relief.

Lawmakers introduced more bills in this year's regular session, which ran from Jan. 10 through May 29, than in any session in recent history (as far back as the 72nd Legislature in 1991). However, the passage rate (about 15 percent) is on par with the 87th Legislature, Regular Session. Gov. Greg Abbott vetoed 76 bills, preventing them from taking effect (**Exhibit 1**).

### PROJECTING TEXAS' REVENUE

The Biennial Revenue Estimate (BRE), released by the Texas Comptroller of Public Accounts in January, set the stage for the 2024-25 budget. Due to favorable projections, this report forecast more than \$188 billion would be available for general-purpose spending during the 2024-25 biennium, a 26 percent increase from the previous biennium. The BRE estimated the state would end its 2022-23 biennium with a historic \$32.7 billion balance.

Although the projected revenue gave lawmakers extraordinary flexibility to craft the new state budget, Hegar urged them to make careful spending decisions so expenditures could be supported in the future.

# A Message from the Comptroller



To say Texas policymakers have been busy at the state Capitol could probably be the understatement of the year. The 88th Legislature gavelled in on Jan. 10, but the work didn't stop when the regular session adjourned May 29. As I write this, lawmakers are back at the Capitol for a fourth special session called

by Gov. Greg Abbott to address items including education savings accounts, public school finance and safety measures, and border security issues.

These special sessions cap a year that began with my January projection that state revenue collections are exceeding anything we've ever seen before. There's no denying the highest inflation rate in 40 years was at least partly behind this, and I'm mindful that general-revenue dollars come out of Texans' pockets. That said, I'm confident that Texas lawmakers are putting these dollars to good use. I hope you will be, too, after reading this month's issue of *Fiscal Notes*. We highlight some of the most impactful pieces of legislation — each arguably unprecedented in its own right.

In my office's summary of the regular session, you can take a close look at the budget numbers for the 2024-25 biennium and read about where the Legislature directed hundreds of billions of dollars for the next two years, including Texas' public and higher education systems, infrastructure improvements and salary increases for "critical needs" positions like social workers and rural law enforcement officers.

Also in this issue, we share an analysis of property taxes. In 2020, Texas had the sixth-highest "effective" property tax rate in the country, meaning homeowners here paid more in property taxes, on average, than did residents of most other states that year. And as local governments and school districts raise tax rates to cover increasingly expensive public services, coupled with skyrocketing home values, homeowners receive heftier property tax bills each year.

Addressing soaring property tax bills, therefore, was without question a priority this year, and I'm happy that the Legislature passed and voters approved major reform — a historic relief package composed of a slew of adjustments estimated to give property tax relief to millions of Texas homeowners.

As always, I hope you enjoy this issue!

Glenn Hegar

Texas Comptroller of Public Accounts

# TEXAS' UNCLAIMED PROPERTY PROGRAM

## IS PART OF THE COMPTROLLER'S OFFICE

Institutions, businesses and governmental entities must report any personal property that has been unclaimed for up to five years. Unclaimed property includes abandoned assets like these:

- DIVIDEND, PAYROLL OR CASHIER'S CHECKS
- STOCKS, BONDS OR MUTUAL FUND ACCOUNTS
- UTILITY DEPOSITS AND OTHER REFUNDS
- BANK ACCOUNTS AND SAFE DEPOSIT BOX CONTENTS
- INSURANCE PROCEEDS
- MINERAL INTERESTS OR ROYALTY PAYMENTS



### FROM THE ARCHIVES: EARLIEST KNOWN UNCLAIMED PROPERTY

In 1930, Travis County officials took custody of \$843.37 in a cigar box — the property of W. Gregory Hatcher who died with no known heirs. By 1945 no family had come forward, so the funds were deposited into the state's general revenue fund. More than 40 years later, it was reported to the Texas Unclaimed Property office. It remains unclaimed.

### THE WEIRD AND NOT SO WEIRD

Most of the property we receive is intangible (in the form of money). But over the years we've seen high-end jewelry, gold teeth, deer hooves and everything in between!

### CLAIMABLE PROPERTY

In recent years, we've received about **\$1 BILLION** in property annually, not counting the value of unclaimed securities and abandoned safe deposit box contents.

We are currently holding more than **\$8 BILLION** in claimable property.

### PAID-OUT CLAIMS



## DO YOU HAVE UNCLAIMED PROPERTY?

Check [ClaimItTexas.gov](https://ClaimItTexas.gov) at least once a year to start a search.

You can also search [MissingMoney.com](https://MissingMoney.com), which hosts unclaimed property records from most states in a single database.



If you would like to receive a paper copy of *Fiscal Notes*, contact us at [fiscal.notes@cpa.texas.gov](mailto:fiscal.notes@cpa.texas.gov).

# Regular Session Wrap-Up of Texas' 88th Legislature

## THE 2024-25 BUDGET

Lawmakers authorized spending \$321.3 billion during the current two-year budget cycle in House Bill (HB) 1, compared with \$303.3 billion in the previous cycle (which includes the supplemental appropriations in Senate Bill (SB) 30 passed this session) — a nearly 6 percent increase (**Exhibit 2**).

The bulk of expenditures with state funds in the General Appropriations Act pays for education, health and human services and public safety/criminal justice, in that order (**Exhibit 3**). The judiciary and business and economic development articles experienced the largest percentage increases in funding from the last biennium.

## MAJOR LEGISLATIVE ISSUES

### Economic Development

HB 5 is a new incentive program that reduces school district maintenance and operations property tax for certain businesses, similar to the Texas Economic Development Act (commonly referred to as Chapter 313) that expired in December 2022. The new program has different eligibility criteria and investment and job requirements for businesses seeking property tax abatements under the program. (Learn more about the Chapter 313 program in the November 2020 edition of *Fiscal Notes*, and check out the 87th Legislature wrap-up to better understand the program's history.)

### Fentanyl Poisoning

HB 6 allows fentanyl poisoning, as determined by a toxicology examination or autopsy, to be listed as the cause of death on a death certificate and allows classification of those deaths as homicide or manslaughter depending on the circumstances. (Read about state and federal law enforcement's efforts to stop fentanyl trafficking in the January 2023 edition of *Fiscal Notes*.)

## Rural Law Enforcement

SB 22 requires the Comptroller's office to establish and administer salary assistance grant programs for qualified sheriffs' offices, constables' offices and prosecutors' offices in rural counties to support law enforcement across the state. A grant amount awarded under these programs will depend on the population of the county or jurisdiction the applying office serves. (Learn more about new funding initiatives that benefit rural Texas in the August 2023 edition of *Fiscal Notes*.)

## EXHIBIT 1

### BILL ACTIVITY DURING THE 72ND, 87TH AND 88TH LEGISLATURES, REGULAR SESSIONS

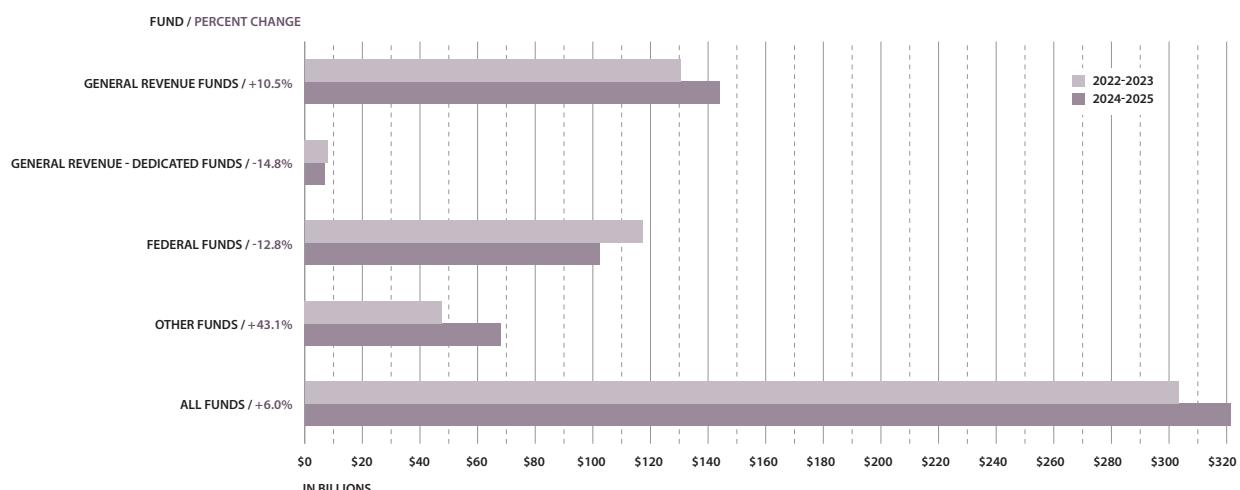


Note: Does not include resolutions or memorial and congratulatory motions.

Source: Texas Legislature Online, Legislative Statistics

## EXHIBIT 2

### GENERAL APPROPRIATIONS ACT (HB 1), BY METHOD OF FINANCE, 2022-23 TO 2024-25

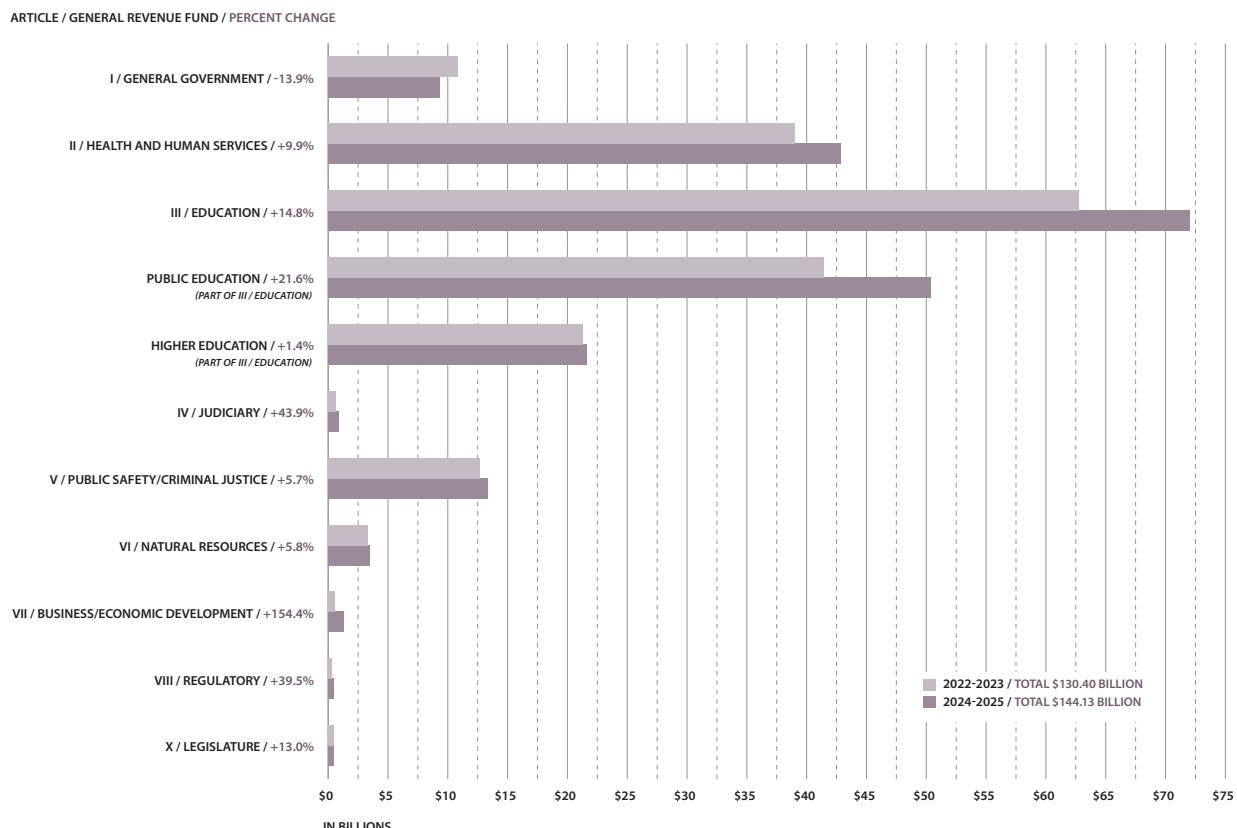


Notes: 2022-23 amounts include supplemental appropriations made by SB 30; totals may not sum due to rounding.  
Source: Legislative Budget Board

# Regular Session Wrap-Up of Texas' 88th Legislature

## EXHIBIT 3

### GENERAL REVENUE FUNDS, BY ARTICLE, 2022-23 TO 2024-25



Notes: 2022-23 amounts include supplemental appropriations by SB 30; 2024-25 appropriations under Article IX are reflected in the functional articles above; not included in table are 2024-25 GR transfers to the Property Tax Relief Fund (Other Funds), totaling \$12.3 billion; totals may not sum due to rounding.

Source: Legislative Budget Board

#### State Family Leave

SB 222 establishes paid family leave for eligible state employees after the birth or adoption of a child, authorizing 40 days paid time off following the birth of a child and 20 days paid time off following the adoption of a child or the birth of a child by the employee's spouse or gestational surrogate.



Lisa Craven, Texas Comptroller of Public Accounts

"The Legislature took a huge step in attracting and retaining talented employees by providing this benefit," says Lisa Craven, deputy comptroller and chief of staff at the Comptroller's office. "Research indicates women who are offered paid parental leave are much more likely to return to the workforce after having a child. Long term, this policy will promote maternal mental and physical health and reduce health care costs for the state, while promoting healthy child development, a cornerstone for a strong state and a robust economy."

#### Family Care Sales Tax Exemption

SB 379 exempts certain family care items, including feminine hygiene products, diapers, maternity clothing and breast milk pumping products, from state sales and use taxes. Hegar joined Sen. Joan Huffman to support this initiative several months before the legislative session began. In an August 2022 joint press release, Huffman said, "Every woman knows that these products are not optional. They are essential to our health and well-being and should be tax exempt."

Likewise, Hegar said, "It's time for Texas to join the 24 states that already exempt tampons and other feminine hygiene products from sales tax. Taxing these products is archaic."

#### Infrastructure

This session was a memorable one for statewide infrastructure buildouts and improvements, including:

##### WATER

SB 28 creates the New Water Supply for Texas Fund to finance projects that develop new water supplies for the state and the Texas Water Fund for water or wastewater infrastructure

# Regular Session Wrap-Up of Texas' 88th Legislature

## Spending Highlights of the 88th Legislature's Regular Session

### FOUNDATION SCHOOL PROGRAM

\$3.2 billion allocated to fund projected public school enrollment growth, \$2.4 billion for increases in the golden penny yield and \$60 million for the New Instructional Facilities Allotment.

### HEALTH AND HUMAN SERVICES COMMISSION (HHSC)

\$2.5 billion allocated to HHSC (in addition to \$4.7 billion in federal funds) for Medicaid and \$2.2 billion allocated to build new state hospitals and boost inpatient capacity.

### STATE EMPLOYEE SALARY INCREASES

\$1.8 billion allocated for two separate 5 percent increases in state employee salaries (with a minimum of \$3,000 per year) for fiscal 2024 and 2025. Targeted salary increases also were provided to state agencies with high staff turnover rates, including criminal justice and social services agencies that support many of the state's "critical needs" positions. (See the Comptroller's July 2023 report for more on the state's workforce challenges.)

### TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

\$3.4 billion allocated for a cost-of-living adjustment to eligible TRS retirees with the passage of Proposition 9 on Nov. 7, and \$1.6 billion allocated for a one-time supplemental annuity payment for certain TRS retirees.

### TEXAS EDUCATION AGENCY (TEA)

\$1.4 billion allocated to TEA for school safety programs implemented by school districts and charter schools, as well as new statewide initiatives.

### EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)

\$900 million one-time legacy payment allocated to ERS as part of the state's long-term plan to pay down the system's unfunded actuarial liabilities. (For more details about the state's long-term financial obligations, see the September 2021 edition of *Fiscal Notes*.)

Sources: Legislative Budget Board, HB 1: Highlights of the Appropriations for the 2024-25 Biennium; Legislative Budget Board, Conference Committee Report for SB 30 – Highlights

projects. Texas voters gave a thumbs up to the new water funds with the passage of Proposition 6 on Nov. 7.

"Extreme weather patterns, aging infrastructure and Texas' daily net migration of 1,000 people necessitate increased attention to the state's water supply," Hegar says.

The number of boil water notices in Texas jumped from 1,993 in 2018 to 3,143 in 2022, according to the Texas Commission on Environmental Quality.

(See the Comptroller's recent water report for more details.)

### BROADBAND

HB 9 establishes the Broadband Infrastructure Fund to provide financial assistance for broadband and emergency telecommunications infrastructure projects in the state. With the passage of Proposition 8, this fund will support the goals of the Broadband Development Office, which the 87th Legislature created within the Comptroller's office to expand high-speed internet access and adoption in Texas.

### ELECTRIC GRID

SB 2627 establishes the Texas Energy Fund to support the construction, maintenance and modernization of dispatchable electric generating facilities (those with adjustable outputs to meet power grid demand). Texas voters gave the fund a green light with the passage of Proposition 7.

"Texas' tremendous economic growth has been possible because we have continued to invest in our energy sector,"

says Hegar. "To support that growth, we must encourage corresponding growth in our energy generation, transmission and grid management infrastructure."

According to data collected by the Electric Reliability Council of Texas, the state's primary power grid operator, about 41 percent of Texas' total thermal power generation (natural gas, coal, nuclear) comes from facilities that are older than 30 years.

(Read more about the 88th Legislature's investments in the state's infrastructure in the September 2023 edition of *Fiscal Notes*.)

### Higher Education

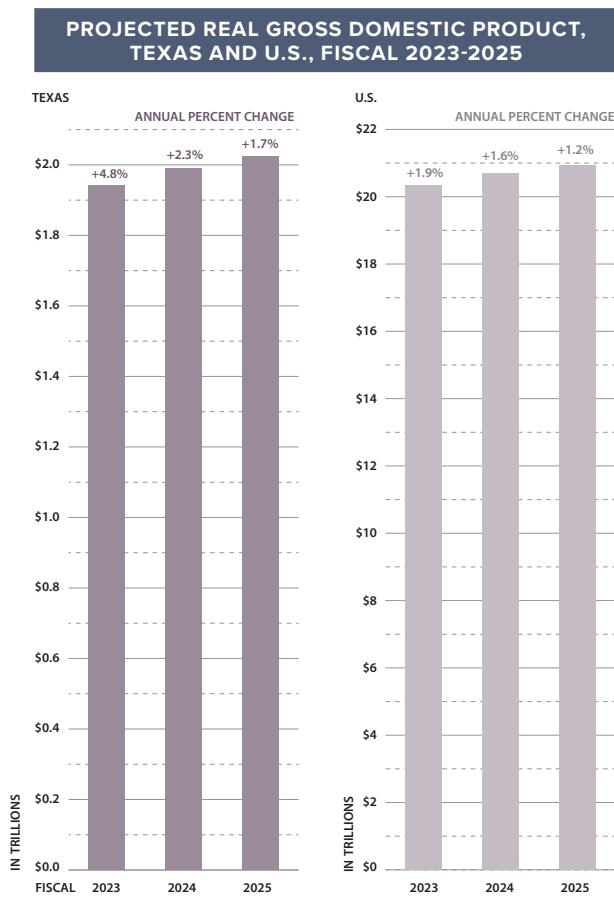
The 88th Legislature also devoted considerable attention to enhancing Texas' institutions of higher education.

HB 8 establishes the public junior college state finance program to improve the state funding formula for community colleges, such as gearing it more toward student outcomes to encourage obtaining a degree, certificate or other credential or transferring to a general academic institution.

HB 1595 creates the Texas University Fund (TUF) to "provide a dedicated, independent and equitable source of funding" for general academic teaching universities that currently do not receive funding comparable to certain institutions in the state's largest research university systems (University of Texas and Texas A&M) eligible for the Permanent University Fund. The following

# Regular Session Wrap-Up of Texas' 88th Legislature

## EXHIBIT 4



Note: Amounts in 2012 dollars.  
Sources: Texas Comptroller of Public Accounts; S&P Global

institutions are designated to receive distributions from the TUF:

- Texas State University (San Marcos).
- Texas Tech University (Lubbock).
- University of Houston (Houston).
- University of North Texas (Denton).

Other institutions also may become eligible for distributions from the TUF in the future if they meet criteria established in HB 1595.

Texas voters stamped their seal of approval on the TUF with the passage of Proposition 5.

According to Texas State University, "The funding is part of a broader effort to help [these universities] achieve national prominence as major research universities, drive the Texas economy and bolster higher ed research beyond the state's two largest university systems."

(See the February 2023 and July 2023 editions of *Fiscal Notes* for more information about the education initiatives designed to boost the state's enrollment numbers and workforce.)

## REVENUE ESTIMATE UPDATE

The Certification Revenue Estimate (CRE) released by the Comptroller's office on Oct. 5 projected that while both the U.S. and Texas economies will continue to grow — even amid repeated predictions of an impending recession over the last year and a half — the Texas economy will continue to outpace the national economy (**Exhibit 4**).

Even after all the appropriations made by the 88th Legislature this year, the Comptroller's office projected that the state will have \$18.29 billion at the end of fiscal 2025. (The CRE does not include any additional spending resulting from the special session taking place at the time of this writing.)

Despite persistent economic growth, Higar warns that a recession in the near term is not out of the question, considering the unknown cumulative effects of variables such as the Federal Reserve's restrictive monetary policy efforts since March 2022, weak economic growth among major U.S. trading partners and economic disruption arising from international conflict.

"In view of the significant risks to the economic outlook, revenue is estimated conservatively for the 2024-25 biennium," Higar stated in the CRE. "It may well turn out that robust economic growth, and consequently revenue growth, will continue unabated. But it would not be prudent to simply assume that will be the case."

## SPECIAL SESSIONS, AND THEN SOME

Before the regular session ended May 29, lawmakers were unable to agree on legislation to significantly reduce the property tax burden on Texans, a priority issue for the 88th Legislature. Abbott called two special sessions to get meaningful property tax reform across the finish line. (Read more about recent property tax reform in this issue.)

At the time of this writing, Texas lawmakers have concluded a third special session and began a fourth special session, both called by the governor to address other priority issues that fell short during the regular session. Chief among them is a statewide school choice proposal that would allow parents to use public funding to send their children to private school if desired. If lawmakers still don't come to an agreement, however, more special sessions could be on the horizon. **FN**

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# Property Tax Cuts as Large as Texas

By Moise Julot, Sidney Pryor, Brandon Vasquez



Unprecedented state revenues allowed Texas lawmakers this year to propose reducing school property taxes by billions of dollars to help ease some of the burden on property owners through increased exemptions, reductions in school district tax rates and limitations on appraised values for certain properties. It was an arduous journey, with lawmakers tackling the issue in the regular legislative session and in two of the special called sessions in 2023.

Property taxes accounted for slightly over half of the total tax revenue for local and state government in 2021 and slightly under half in 2022 (**Exhibit 1**). This fall, with the passage of Proposition 4, Texas voters elected to put some money back into property owners' pockets.

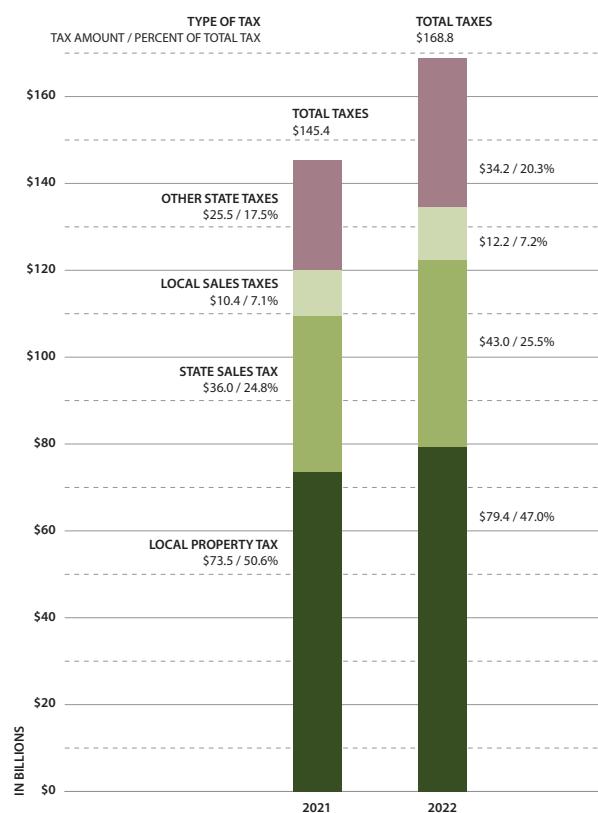
## INVESTING IN PUBLIC PROGRAMS

Texas does not have a state property tax (commonly referred to as ad valorem tax). Nor does the state set appraised values, adopt property tax rates or collect property tax revenues. The Texas Constitution and statutes authorize *local governments* to collect the tax. Property taxes are a key source of revenue for local taxing units: cities, counties, school districts and special purpose districts. According to self-reported data from appraisal districts, in 2022, school districts levied more than 55 percent of all property taxes levied by local taxing units in the state. Along with schools, property taxes help to pay for essential public needs such as city streets, county roads, police, fire and EMS, among many other vital programs.

Property taxes and the Texas public school finance system are inextricably linked. Funding for Texas public schools

## EXHIBIT 1

### TAX REVENUE BY SOURCE, 2021-2022



Source: Texas Comptroller of Public Accounts

# Property Tax Cuts as Large as Texas

## What is Recapture?

Recapture arose in response to years of litigation related to equitable state and local funding for the school system. Districts that exceed a particular threshold of property wealth (calculated on a per-student basis) must make payments into the state's Foundation School Program that are then used to provide funds to other districts.

One of the major reforms from House Bill 3 in 2019 was allowing recapture districts to keep enough local revenue to cover the formula funding to which the students in the district are entitled. Under prior law, some recapture districts were not able to keep enough funds to meet the full formula funding for their students.

comes from a mix of local school district property taxes, state funds and federal funds. For the 2023 fiscal year, the Texas Legislative Budget Board projected local revenue would account for nearly 49 percent of total public education revenue, followed by state revenue (accounting for 38 percent), federal revenue (8 percent) and recapture funds (5 percent).

A school district's property tax rate is composed of a maintenance and operations (M&O) tax rate and an interest and sinking (I&S) tax rate. The I&S rate is used to repay bonds that fund capital improvements in a school district. The revenue generated by the M&O tax has two components: Tier 1 covers the local share of the basic entitlement funding,

while enrichment funding is provided under Tier 2, commonly referred to as "golden pennies." Since 2019, the growth of Tier 1 local school district M&O property tax revenue has been generally limited to 2.5 percent per year; however, a school district can opt to increase its Tier 2 rate with voter approval, up to certain limits.

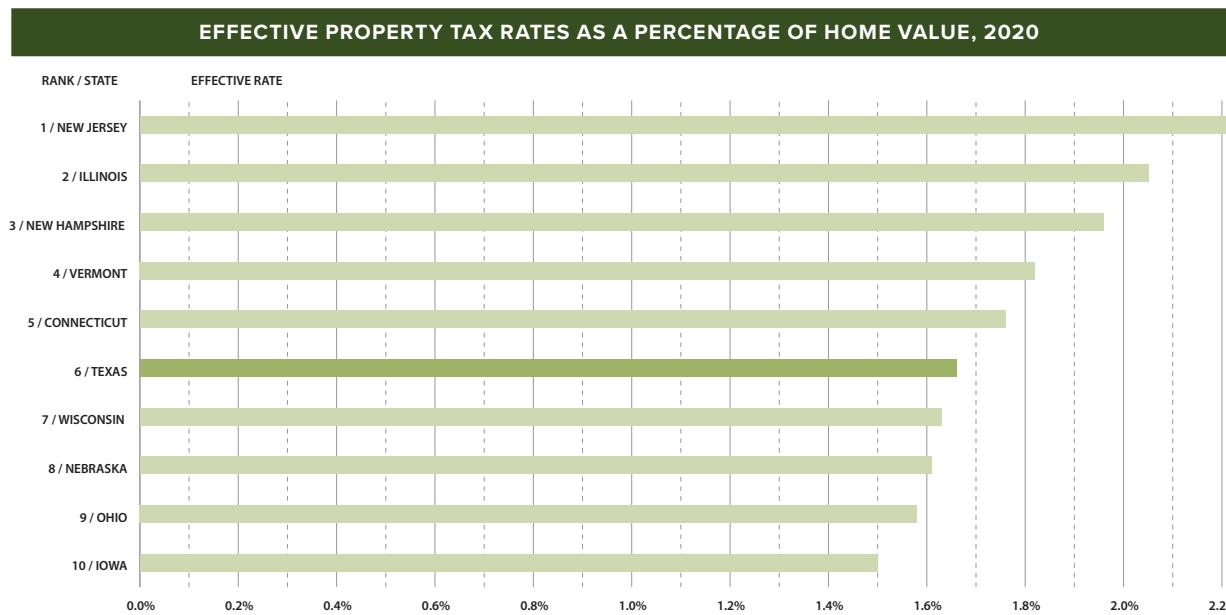
Each year, the school district reports estimated property value growth for that year to the Texas Education Agency (TEA), and TEA uses those data (or statewide property value growth, whichever is greater) to compute the M&O tax rate that limits the growth of Tier 1 revenue to 2.5 percent. This is called the maximum compressed tax rate. Because a school district must contribute its local share to pull down state funds to cover the cost of its entitlement, as local revenues increase, the amount of state funds needed to fully fund the district entitlement decreases.

## WHY PROPERTY TAXES ARE HIGH IN TEXAS

Under the Texas Constitution, all property is taxed in proportion to its value. Appraisal districts in each county are a key component of the system; they determine the value of all taxable property within the boundaries of the county each year.

Unlike many other states, Texas does not levy an income tax, so it must generate revenue from other sources, primarily sales tax. According to the Tax Foundation, a research think tank that examines U.S. tax policies, Texas ranked sixth highest among all states in 2020 for effective property tax rate (**Exhibit 2**). Effective tax rate in this context is the average amount of residential property taxes actually paid, expressed as a percentage of home value.

### EXHIBIT 2



Source: Tax Foundation

# Property Tax Cuts as Large as Texas

Although Texas has a relatively high effective property tax rate, in calendar year 2022, the state ranked sixth-lowest regarding total effective state and local tax burden (the sum of all state and local taxes paid by a state's resident divided by that state's share of net national product), according to Tax Foundation data. This is partly due to Texas' lack of a personal income tax.

## RELIEF FOR TEXAS PROPERTY OWNERS

With Texas voters' approval of Proposition 4 on the Nov. 7 ballot, taxpayers' 2023 property tax bills, as outlined in Senate Bill (SB) 2, will be based on the value adjusted for:

- An increase in the residence homestead exemption for school districts from \$40,000 to \$100,000.
- Compressed school district tax rates by an additional \$0.107 for the 2023-2024 tax year.
- An adjustment to the tax limitation (commonly called a tax ceiling or tax freeze) for an individual who is aged 65 or older or disabled related to the increase in the residence homestead from \$25,000 to \$40,000 and from \$40,000 to \$100,000, as well as ongoing adjustments based on any future increase in the residence homestead exemption.
- A temporary three-year "circuit breaker" limitation on the appraised value of real property, other than residence homesteads or property subject to special appraisal, of 20 percent of the appraised value of the property in the prior year plus the value attributable to new improvements.



Lynn Krebs, Texas  
A&M University

the states' relative property tax burdens of homeowners." Speaking about the potential savings to a homeowner, Krebs says, "Total potential savings depends on home value and exemptions applied. However, for a typical homestead valued at say \$350,000, total savings should be about \$1,000." Roughly half of that estimated savings will be fixed (the same) for all homesteads at or above \$100,000 in value thanks to the increase in the homestead exemption, according to Krebs. He notes, "This is based on what your taxes would be this year without the legislation versus what it would be with the approved proposition (not last year's bill versus this year's bill, which also depends on value changes and other rate changes)."

### **Notable School Property Tax-Related Legislation, 2015-2021**

*Examples of some of the steps Texas lawmakers have taken to address school district property taxes in prior years include:*

#### **2015**

The residence homestead exemption for school districts taxes was increased from \$15,000 to \$25,000. Homeowners with over-age-65 tax limitations received an adjustment to account for the increase.

#### **2019**

School district M&O tax rates were compressed by 10 cents, and a mechanism was put in place to require ongoing school district tax rate compression to limit the growth of school district property tax revenue to 2.5 percent per year.

#### **2021**

The residence homestead exemption for school district taxes was increased from \$25,000 to \$40,000.

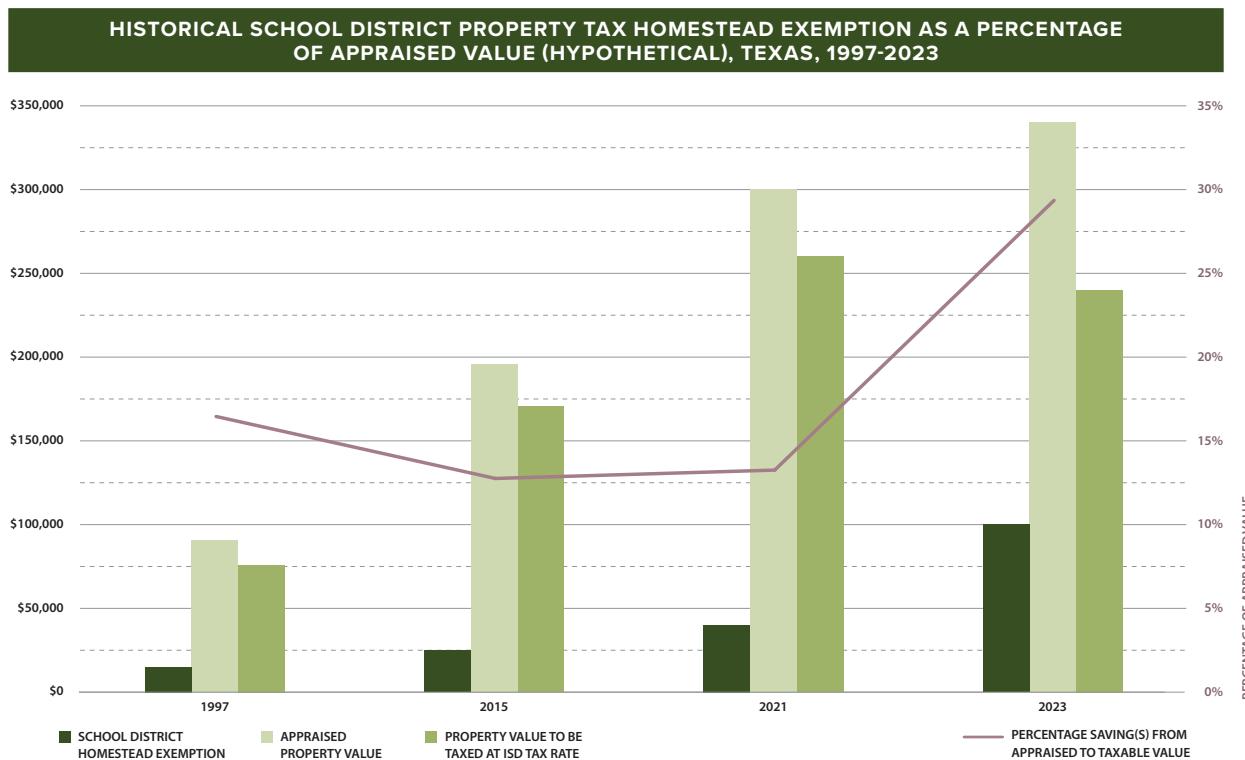
Homebuyers were allowed to immediately qualify for a homestead exemption; previously they had to wait until Jan. 1 of the year after they purchased a home to qualify.

The tax limitation for an individual aged 65 or older or disabled was adjusted to account for reductions in school district tax rates due to compression for tax year 2019 and subsequent tax years.

Adjustments to the residence homestead exemption amount have been a go-to tax relief measure for state leaders. In 1947, the same year state property taxes for general revenue purposes were repealed, property owners could receive a residence homestead exemption for county taxes in the amount of \$3,000. In 1978, the general residence homestead exemption for school district property taxes was introduced in the amount of \$5,000 (nearly \$24,000 in 2023 dollars). With the passage of Proposition 4, the school district residence homestead exemption increased to \$100,000. To put it into perspective, a property appraised at \$340,000 with the \$100,000 school district residence homestead exemption will effectively be paying its school district's tax rate for only 70.6 percent of its appraised value (\$240,000). Since school district taxes generally represent the largest portion of a property tax bill, this residence homestead exemption increase translates into significant savings for property owners, as illustrated in a hypothetical example using median sales prices for homes sold in Texas (**Exhibit 3**).

# Property Tax Cuts as Large as Texas

## EXHIBIT 3



Note: Appraised property value is based on median home prices in Texas for given year; September 2023 average price used for 2023 year.  
Sources: Texas Comptroller of Public Accounts; Texas A&M University Texas Real Estate Research Center

Property tax bills are generally prepared and sent out in October of each year. SB 2 instructs tax assessors to provide a provisional tax bill that accounts for the increase in the homestead exemption and school district tax rate compression until the canvass of the votes on the constitutional amendment proposed by House Joint Resolution 3, approved by the 88th Legislature, Second Called Session. Taxpayers with questions about their property tax bills are urged to contact their county's tax assessor-collector.

## PROPERTY TAX ASSISTANCE DIVISION

Although property taxes are levied at the local level, the Comptroller's Property Tax Assistance Division plays a pivotal role in several facets of the system. Allison Mansfield, assistant director of the division, explains, "One of our primary responsibilities is to conduct the School District Property Value Study, which studies the property values within each school district to determine if property is being appraised at market value as required by statute. The results of the study are utilized in the school funding formulas to ensure the equitable distribution of

state funding to school districts." She says that the division also conducts the Appraisal District Ratio Study, which includes the median level of appraisal within each appraisal district, and is responsible for a variety of other programs, including the Methods and Assistance Program, which reviews appraisal districts' governance, taxpayer assistance operating procedures and appraisal standards, procedures and methodology; binding arbitration and limited binding arbitration for property value protest appeals; appraisal review board, taxpayer liaison officer and arbitrator training programs; and the provision of technical assistance on property tax matters to the public.

## PROPERTY TAX RELIEF IS WELCOME

Potential savings to property owners comes at a crucial moment when Texans are feeling the weight of inflation-related price increases, rising interest rates and increased housing costs. Directing some of the state's unprecedented revenues to alleviate some of the property tax burden from property owners will enable more Texas families to divert some of their dollars elsewhere. **FN**

*Learn more about the roles and services offered by the Comptroller's Property Tax Assistance Division at [comptroller.texas.gov/taxes/property-tax](http://comptroller.texas.gov/taxes/property-tax).*

**Monthly and Year-to-Date Collections: Percent Change from Previous Year**  
(IN THOUSANDS)

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year. These numbers were current at press time. For the most current data as well as downloadable files, visit [comptroller.texas.gov/transparency](http://comptroller.texas.gov/transparency).

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

1. Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

2. Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

3. Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

4. Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies. Includes certain state revenues that are deposited in the State Treasury but not appropriated.

TAX COLLECTIONS BY MAJOR TAX	OCTOBER 2023	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>SALES TAX</b>	\$3,805,198	\$7,595,645	1.24%
Percent Change from October 2022	-0.28%		
<b>MOTOR VEHICLE SALES AND RENTAL TAXES</b>	\$605,629	\$1,236,887	2.70%
Percent Change from October 2022	2.91%		
<b>MOTOR FUEL TAXES</b>	\$315,796	\$645,124	0.79%
Percent Change from October 2022	1.36%		
<b>FRANCHISE TAX</b>	\$33,970	\$78,403	-26.46%
Percent Change from October 2022	-3.71%		
<b>OIL PRODUCTION TAX</b>	\$586,122	\$1,129,680	3.07%
Percent Change from October 2022	7.76%		
<b>INSURANCE TAXES</b>	\$49,494	\$101,630	18.01%
Percent Change from October 2022	23.18%		
<b>CIGARETTE AND TOBACCO TAXES</b>	\$96,431	\$140,705	-26.21%
Percent Change from October 2022	8.31%		
<b>NATURAL GAS PRODUCTION TAX</b>	\$192,099	\$400,216	-55.00%
Percent Change from October 2022	-53.10%		
<b>ALCOHOLIC BEVERAGES TAXES</b>	\$153,664	\$297,558	3.15%
Percent Change from October 2022	2.36%		
<b>HOTEL OCCUPANCY TAX</b>	\$66,740	\$125,485	2.50%
Percent Change from October 2022	1.83%		
<b>UTILITY TAXES<sup>1</sup></b>	\$159,525	\$163,822	10.76%
Percent Change from October 2022	7.68%		
<b>OTHER TAXES<sup>2</sup></b>	\$21,052	\$36,962	-2.13%
Percent Change from October 2022	0.47%		
<b>TOTAL TAX COLLECTIONS</b>	<b>\$6,085,719</b>	<b>\$11,952,117</b>	<b>-2.92%</b>
Percent Change from October 2022	-2.14%		
REVENUE BY SOURCE	OCTOBER 2023	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>TOTAL TAX COLLECTIONS</b>	\$6,085,719	\$11,952,117	-2.92%
Percent Change from October 2022	-2.14%		
<b>FEDERAL INCOME</b>	\$5,143,994	\$11,220,234	-7.89%
Percent Change from October 2022	-8.97%		
<b>LICENSES, FEES, FINES AND PENALTIES</b>	\$510,398	\$1,186,180	5.44%
Percent Change from October 2022	9.79%		
<b>STATE HEALTH SERVICE FEES AND REBATES<sup>3</sup></b>	\$993,642	\$1,819,186	-42.41%
Percent Change from October 2022	8.60%		
<b>NET LOTTERY PROCEEDS<sup>4</sup></b>	\$296,573	\$522,390	20.45%
Percent Change from October 2022	31.50%		
<b>LAND INCOME</b>	\$284,724	\$531,066	-39.16%
Percent Change from October 2022	-38.00%		
<b>INTEREST AND INVESTMENT INCOME</b>	\$349,363	\$682,343	96.36%
Percent Change from October 2022	128.06%		
<b>SETTLEMENTS OF CLAIMS</b>	\$19,731	\$24,342	262.89%
Percent Change from October 2022	424.80%		
<b>ESCHEATED ESTATES</b>	-\$1,081	\$44	-99.86%
Percent Change from October 2022	-114.86%		
<b>SALES OF GOODS AND SERVICES</b>	\$19,940	\$32,618	-14.87%
Percent Change from October 2022	-5.84%		
<b>OTHER REVENUE</b>	\$426,276	\$504,763	4.11%
Percent Change from October 2022	19.67%		
<b>TOTAL NET REVENUE</b>	<b>\$14,129,279</b>	<b>\$28,475,283</b>	<b>-8.12%</b>
Percent Change from October 2022	-2.39%		



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Texas Comptroller of Public Accounts

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