

## RESOLUTION OF THE



*Plano Independent School District*

## BOARD OF TRUSTEES

### **REGARDING PROPERTY TAX RELIEF AND TRANSPARENCY IN TAXATION**

*Whereas*, the Plano Independent School District ("Plano ISD") believes the State of Texas does not adequately or appropriately fund public education in the State of Texas (the "State"); and

*Whereas*, the Texas Supreme Court described the current public education funding system utilized by the State as "Byzantine, undeniably imperfect, with immense room for improvement;" and

*Whereas*, Plano ISD supports a revision to the current public education funding system utilized by the State to assure that the State adequately and fairly funds public education; and

*Whereas*, Plano ISD is committed to transparency in taxation, budgeting and spending at all levels of government; and

*Whereas*, Plano ISD believes the current public education funding system utilized by the State lacks transparency; and

*Whereas*, Plano ISD, on behalf of its taxpayers, advocates that taxes collected in the name of public education must remain and be expended solely on public education and not diverted to other State expenditures or priorities; and

*Whereas*, increases in tax revenues resulting directly from the rise in local property values in Plano ISD and other school districts across the State reduces the State's obligation to fund public education; and

*Whereas*, the reduction in the State's obligation to fund public education allows the State to shift general fund revenue previously used for public education to other State programs, resulting in both a lack of transparency in taxation and an overreliance on local property taxes; and

*Whereas*, pursuant to data recently published by the State's Legislative Budget Board, the State's level of funding for Pre-K through 12 public education has declined from \$4,558 per student in 2009 to \$3,887 in 2017, a decrease of \$671 per student or 14.7%, even without accounting for inflation; and

*Whereas*, Plano ISD recognizes that increases in property values have resulted in increased property tax burdens on taxpayers in Plano ISD and in other communities, and

*Whereas*, the current public education funding system utilized by the State does not allow tax revenue resulting directly from increases in Plano ISD taxpayers' property values beyond State determined equalized wealth levels to stay in Plano ISD but instead requires that such revenue be remitted to the State in the form of additional recapture, and

*Whereas*, Plano ISD desires to provide property tax relief to all Plano ISD taxpayers; and

*Whereas*, the current public education funding system utilized by the State, including, but not limited to, the State's system of recapture from property-wealthy districts such as Plano ISD, prohibits Plano ISD from offering meaningful property tax relief; and

*Whereas*, Plano ISD believes public education funding should grow annually by a rate of not less than the rate of inflation and the rate of population growth; and

*Whereas*, the current public education funding system utilized by the State does not provide automatic, annual adjustments to the various equalized wealth levels to the rate of inflation and the rate of population growth;

NOW THEREFORE BE IT RESOLVED THAT THE PLANO ISD PETITIONS THE TEXAS LEGISLATURE TO TAKE ACTION DURING THE UPCOMING 85TH REGULAR SESSION RELATED TO PUBLIC EDUCATION FINANCE TO:

1. Reform the school finance system to restore adequate and fair funding to all public independent school districts;
2. Assure that, in order to establish transparency and fidelity in taxation at all levels of government, the State eliminates the practice of reducing the State's funding obligations to public education because of increased property tax revenues resulting from the growth in property values, a

practice which allows the State to divert State funds previously allocated to public education to other priorities;

3. Assure that public independent school districts have greater ability and incentive to provide local property tax relief by eliminating the possibility that future increases to a Maintenance and Operations rate previously approved by taxpayers might cause the district to subject voters to the cost of another election to ratify that same rate again;
4. Assure that public independent school districts have flexibility to provide local property tax relief without losing net available revenue due to increases in such district's recapture payment to the State;
5. Provide automatic annual adjustments to the basic allotment and each of the equalized wealth levels relative to the rates of inflation and population growth in the current or any future public education funding system utilized by the State;
6. Provide a consistent and fair balance between local Maintenance & Operations taxes and the State's contribution to public education.

Adopted this 6th day of September, 2016, by the Board of Trustees of the Plano Independent School District.



President, Board of Trustees  
Plano Independent School District



Secretary, Board of Trustees  
Plano Independent School District