

City of Leon Valley Proposed Homestead Exemption Increase

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City Council Meeting
February 21, 2023



Purpose

- To discuss a proposal to increase the current homestead local option percentage exemption to 5% or 10% and to provide direction to the staff on how the council would like to proceed.

Background

- The City of Leon Valley has a long-established homestead exemption freeze for homeowners who are over 65 or disabled (OV65 or DP exemptions).
- Because Leon Valley has a freeze ceilings for OV65 and DP, the impact to increase the homestead exemption is estimated by using the “ Approximate Levy’ from the Grand Totals page as not all OV65 or DP homeowners would be affected depending upon the freeze.

Background

- The estimates of levy loss are from Bexar Appraisal District's test database used for estimation purposes only using un-official 2023 preliminary totals and last year's tax rate.
- Please understand these are estimates, so please treat them as such. This data is BCAD test database and are not official totals.
- To date, they have not yet valued the file for 2023 as they are still in the fieldwork phase of data collection. These totals are purely to estimate levy loss represented at each level of optional HS exemption percentage.

Background

City of Leon Valley	Number of HS Properties	Value Loss from Exemptions Breakdown Page	Tax Rate	Approximate Levy (Freeze Adjusted) From Grand Totals Page	Revenue Loss Due to Increase HS Exemption
HS Exemption 1% (Current)	2,340	\$11,219,652	0.484739	\$6,395,251	\$0
HS Exemption 5%	2,340	\$32,729,677	0.484739	\$6,346,235	-\$49,016
HS Exemption 10%	2,340	\$65,435,235	0.484739	\$6,270,940	-\$124,311

Because Leon Valley has freeze ceilings for OV65 and DP, the impact due to increasing HS exemptions is estimated by using the 'Approximate Levy' from the Grand Totals page as not all OV65 or DP homeowners would be affected depending upon the freeze. These totals reports ARE FROM A TEST DATABASE USED FOR ESTIMATION PURPOSES ONLY. THESES ARE NOT OFFICIAL PRELIMINARY TOTALS

Recommendation

This item is at the discretion of the City Council, in how to proceed.