

City of Leon Valley Proposed Homestead Exemption Increase

Crystal Caldera, PhD

City Manager

Per Councilor Stevens and Hefner

City Council Meeting

May 2, 2023

Purpose

- Discussion and possible action on a proposed ordinance to increase the current homestead local option and to provide direction to the staff on how the council would like to proceed.

Background

- Bexar County Appraisal District (BCAD) has taken the scenarios requested and loaded them to their test database to determine what the potential impact would indicate.
- The test database was updated with value information as of April 10, 2023, but they will caution you that it is preliminary and subject to change.
- They had not yet started processing protests in earnest when the test system was updated and therefore, the certified totals will be lower than what is shown in the attachments.

Background

- The Excel spreadsheet details the freeze adjusted taxable value, last year's tax rate, and the estimated levy for each scenario, then I subtracted each from the baseline which includes no exemption changes from current.
- The reason that they used the calculated approximate levy on the totals report is the fact that Leon Valley has the OV65 and DP freeze in place and because some of the owners freezes were established years ago, the calculated tax with new exemption amounts may not be lower than their freeze, therefore, those may not directly benefit from changes in exemptions.
- Remember also, that these are estimates.

Background

Scenario	Freeze Adjusted Taxable Value	Tax Rate	Estimated Levy	Estimated levy loss
No Change in Exemptions	\$1,271,664,535	\$0.484739	\$6,846,703.04	-
Increase DP and OV65 to \$50,000 no HS Change	\$1,271,124,535	\$0.484739	\$6,841,808.30	-\$4,894.74
Increase HS to 20% - No DP or OV65 Changes	\$1,271,477,867	\$0.484739	\$6,559,948.05	-\$286,754.99
Increase HS to 10% Change DP and OV65 to \$50,000	\$1,246,648,715	\$0.484739	\$6,708,531.76	-\$138,171.28
Increase HS to 15% Change DP and OV65 to \$50,000	\$1,231,793,741	\$0.484739	\$6,620,433.56	-\$226,269.48
Increase HS to 20% Change DP and OV65 to \$50,000	\$121,937,867	\$0.484739	\$6,526,877.23	-\$319,825.81

These are preliminary totals as of April 10 and are subject to change. This is from our test database with preliminary data updated as of 4/10/23



Recommendation

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