

Montgomery City Council  
**AGENDA REPORT**

<b>Meeting Date:</b> May 11, 2021	<b>Budgeted Amount:</b> N/A
<b>Department:</b> Administration	<b>Prepared By:</b> Richard Tramm

**Subject**

Consideration and possible action on setting Exemptions for use on 2021 Notices of Appraised Value and 2021 Assessment Rolls.

**Recommendation**

Adopt property tax exemption rates of \$10,000 for Homestead Exemption, \$50,000 for Over 65 Exemption and \$70,000 for Disability Exemption for use on 2021 Notices of Appraised Value and 2021 Assessment Rolls.

**Discussion**

For both 2019 and 2020, the City has had an exemption of \$50,000 for Over 65 years of age and \$70,000 for Disability. (I did not research further back than 2019 on this item.)

The City does not currently have a Homestead Exemption. I think this period of increasing home values would be a good time for the City to consider adding a Homestead Exemption for owner occupied homes in the City that qualify for such an exemption. My recommendation is the City Council add a \$10,000 Homestead Exemption for 2021. This would result in a \$40 decrease in annual property taxes to the City on properties qualifying for homestead exemption. As a comparison, from 2019 to 2020 the tax amount due to the City based on the average homestead property increased by \$22, so a \$10,000 Homestead Exemption would effectively reduce the property taxes due by nearly twice that amount for those properties.

**Approved By**

		Date:
City Administrator	Richard Tramm	Date: 05/06/2021