
CITY OF PORT LAVACA

CITY COUNCIL MEETING: MARCH 14, 2022

AGENDA ITEM _____

DATE: 9/24/21

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: SUSAN LANG, FINANCE DIRECTOR 

SUBJECT: CONSIDER ACTION ON OPTIONAL HOMESTEAD EXEMPTION FOR 2022

Each year, the governing bodies are asked to review their Optional Homestead, 65 and Over, and Disable Person exemptions for the coming tax year. Calhoun County's appraisal district has asked that we notify the appraisal district no later than April 1, 2022, if any changes are to be made for the 2022 tax year.

The appraisal district has provided a comparison of 2021 Tax Rates and Entity Exemptions of surrounding jurisdictions for your review, and staff has created some additional information from which you may find helpful.

Local Optional Homestead Exemption

Just as the title says, this exemption is *optional*, and is up to the local jurisdiction to determine (within the guidelines of the State Legislature) the amount of exemption granted. Fiscal Year 2021-22 is the second year for the City to grant this optional exemption on a principal residence at the rate of 10%. Sixty-one percent (61%) of Single Family residences in the City take advantage of this generous exemption. This exemption affords homeowners, collectively, with \$27,547,535 in reduced value against their property taxes, which amounts to 5% of the City's total taxable property values.

For the average homestead, the reduction amounts to a savings of \$88.50 per year in property taxes. For the City, this exemption reduces the property tax revenue by over \$200,000 each year.

The City has the option to grant the Homestead exemption up to a maximum of 20%, but the minimum exemption cannot be less than \$5,000, if granted. Meaning, if the value of a Homestead is such that the current 10% exemption only grants \$3,500 in exempt value, the exemption, by default, will amount to \$5,000 as a minimum.

Local Optional 65 and Over Exemption

This optional exemption may be increased or decreased with little oversight from the State Legislature. The City currently grants \$10,000 for individuals over 65 as an additional exemption, which matches the required mandatory exemption imposed on school districts. Approximately 25% of the City's single family residential properties receive the exemption, which amounts to a total of almost \$70,000 in reduced property tax revenue to the City each year. The optional 65 and Over exemption reduces the taxable property values by two percent (2%) each year. Individuals receiving this exemption receive a \$79 reduction in property taxes each year.

We have provided seven (7) years of trending information for each option for your review, and we hope this information will be useful for this year's decision-making effort.

CITY OF PORT LAVACA

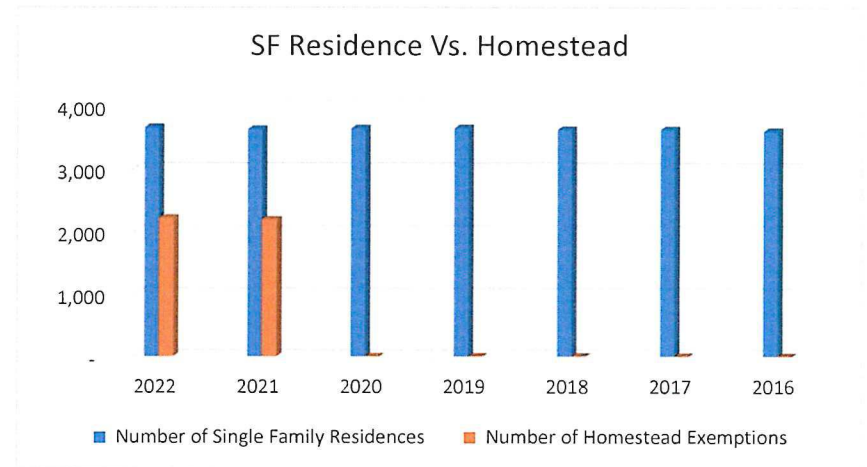
Annual Optional Homestead Exemption Review

Local Option Percentage Homestead - Current = 10%, Maximum = 20%

Fiscal Year	2022	2021	2020	2019	2018	2017	2016
Tax Year	2021	2020	2019	2018	2017	2016	2015
Taxable Value @ Certification	\$ 516,349,180	\$ 497,537,849	\$ 499,475,356	\$ 479,192,798	\$ 457,808,670	\$ 465,366,791	\$ 450,181,039
% Increase/Decrease from Prior Year	4%	0%	4%	5%	-2%	3%	
Total Exemptions	\$ 130,770,389	\$ 127,300,534	\$ 96,445,808	\$ 94,441,820	\$ 93,308,827	\$ 92,303,463	\$ 88,939,173
% Increase/(Decrease) from Prior Year	3%	32%	2%	1%	1%	4%	
CURRENT - Optional							
Value of Homestead Exemption @ 10%	\$ 27,547,535	\$ 26,158,894	\$ -	\$ -	\$ -	\$ -	\$ -
% Increase/Decrease from Prior Year	5%	100%					
Number of Homestead Exemptions	2,224	2,200	-	-	-	-	-
% Increase/Decrease from Prior Year	1%	100%	0%	0%	0%	0%	0%
Homestead % of Total Exemptions	21%	21%					
Homestead % of Total Taxable	5%	5%					
Number of Single Family Residences	3,670	3,642	3,655	3,658	3,637	3,637	3,613
% Increase/Decrease from Prior Year	1%	0%	0%	1%	0%	1%	
% of SF w/ Homestead	61%	60%	0%	0%	0%	0%	0%
Average Taxable Value of SF Residence	111,444	105,999	85,992	80,676	80,197	77,496	75,313

Tax Revenue Reduction for Homestead @ 10%	(218,838)	(207,806)
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MAXIMUM ALLOWABLE - Optional	
Homestead Exemption @ 20%	\$ 55,095,070
% of Total Exemptions	42%
% of Total Taxable	11%
Tax Revenue Reduction for Homestead @ 20%	(437,675)



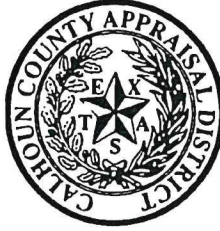
CITY OF PORT LAVACA

Annual Optional 65 and Over Exemption Review

Local Option 65 and Over Exemption (May be increased or decreased) Current = \$10,000

Fiscal Year	2022	2021	2020	2019	2018	2017	2016
Tax Year	2021	2020	2019	2018	2017	2016	2015
Taxable Value @ Certification	\$ 516,349,180	\$ 497,537,849	\$ 499,475,356	\$ 479,192,798	\$ 457,808,670	\$ 465,366,791	\$ 450,181,039
% Increase/Decrease from Prior Year	4%	0%	4%	5%	-2%	3%	
Total Exemptions	\$ 130,770,389	\$ 127,300,534	\$ 96,445,808	\$ 94,441,820	\$ 93,308,827	\$ 92,303,463	\$ 88,939,173
% Increase/(Decrease) from Prior Year	3%	32%	2%	1%	1%	4%	
CURRENT - Optional							
Value of 65 and Over Exemption @ 10,000	\$ 8,763,218	\$ 8,608,532	\$ 8,627,981	\$ 8,592,853	\$ 8,564,790	\$ 8,777,573	\$ 8,570,780
% Increase/Decrease from Prior Year	2%	0%	0%	0%	-2%	2%	
Number of 65 and Over Exemptions	923	879	906	901	896	916	889
% Increase/Decrease from Prior Year	5%	-3%	1%	1%	-2%	3%	
65 and Over % of Total Exemptions	7%	7%	9%	9%	9%	10%	10%
65 and Over % of Total Taxable	2%	2%	2%	2%	2%	2%	2%
Number of Single Family Residences	3,670	3,642	3,655	3,658	3,637	3,637	3,613
% Increase/Decrease from Prior Year	1%	0%	0%	1%	0%	1%	
% of SF w/ 65 and Over	25%	24%	25%	25%	25%	25%	25%
Average Taxable Value of SF Residence	111,444	105,999	85,992	80,676	80,197	77,496	75,313
Tax Revenue Reduction for							
65 and Over @ \$10,000	(69,615)	(68,386)	(68,541)	(68,262)	(68,039)	(69,729)	(68,086)

CALHOUN COUNTY APPRAISAL DISTRICT
426 West Main Street * P.O. Box 49
Port Lavaca, Texas 77979
Appraisal: (361) 552-8808
Collections: (361) 552-4560
Fax: (361) 552-4787
Website: www.calhouncad.org



Board of Directors

William Swope, Chairman
William Bauer, Vice Chairman
Jessie Rodriguez, Secretary
Vern Lyssy, Board Member
Kevin Hill, Board Member

Chief Appraiser

Jesse W. Hubbell

2/25/2022

To: All Governing Bodies of the Taxing Units within the Calhoun County Appraisal District

FROM: Jesse Hubbell, Chief Appraiser

RE: Agenda Action Item: Optional Homestead Exemption for 2022

Please add the above item to your agenda for action at your next board, council or commissioners' court meeting. This should be an annual agenda item.

I have enclosed a listing of homestead exemptions currently granted for each taxing unit in Calhoun County. Please review your exemptions and notify the appraisal district no later than April 1, 2022, if any changes are to be made for the 2022 tax year.

All taxing units, *except counties, schools and cities*, currently granting the maximum *optional* 20% homestead exemption may reduce the percentage of the exemption, but cannot increase the percentage. A city, county or school that has not granted an *optional* percentage homestead exemption may do so, but only up to 20%. The *optional 65 and over and disabled person exemption* may be increased or decreased. Taxing units cannot change any veteran's exemptions.

Should you have any questions or concerns please let me know.

Respectfully,

A handwritten signature in blue ink that reads 'Jesse W. Hubbell'. Below the signature, the name 'Jesse W. Hubbell' and the title 'Chief Appraiser' are printed in a black serif font.
Jesse W. Hubbell
Chief Appraiser

2021 Tax Rates & Entity Exemptions

JURISDICTION	CODE	DISCOUNT	65 AND OVER TAX CEILING	M&O RATE	I&S RATE	TOTAL RATE	GENERAL HOMESTEAD (Mandatory)	LOCAL-OPTION PERCENTAGE HOMESTEAD	65 AND OVER (Mandatory)	65 AND OVER (Optional)	DISABLED (Optional) (Mandatory)	DISABLED VETERANS*
COUNTY												
Calhoun County	GO5	Yes	Yes	0.5780	0.0321	0.6101		20%		64,000	(O) 64,000	5,000 to 12,000
CITIES												
Seadrift	CO2	No	Yes	0.5522	0.0000	0.5522		20%		5,000	(O) 3,000	5,000 to 12,000
Point Comfort	CO3	No	No	1.249	0.0000	1.249		20%		3,750		5,000 to 12,000
Port Lavaca	CO4	No	Yes	0.7308	0.0636	0.7944		10%		10,000		5,000 to 12,000
SCHOOL DISTRICTS												
CCISD	SO1	No	Yes	0.9578	0.1385	1.0963	25,000	20%	10,000	10,000	(M) 10,000	5,000 to 12,000
SPECIAL DISTRICTS												
Calhoun Port Authority	NV6	Yes	NA	0.0009	0.0000	0.0009		20%		125,000	(O) 125,000	5,000 to 12,000
Water Control & Improvement District #1	WO7	Yes	NA	0.0406	0.0000	0.0406		20%		20,000		5,000 to 12,000
LaSalle Water Control & Improvement District #1A	W08	Yes	NA	0.5700	0.0000	0.5700		20%		64,000	(O) 64,000	5,000 to 12,000
Groundwater Conservation District	GWD	No	NA	0.0080	0.0000	0.0080		20%		64,000	(O) 64,000	5,000 to 12,000
Drainage District #6	DD6	Yes	NA	0.0420	0.0000	0.0420				20,000		5,000 to 12,000
Drainage District #8	DD8	Yes	NA	0.2646	0.0000	0.2646						5,000 to 12,000
Drainage District #10	DD10	Yes	NA	0.1727	0.0000	0.1727						5,000 to 12,000
Drainage District #11	DD11	Yes	NA	0.1756	0.0000	0.1756						5,000 to 12,000
Port O'Connor Improvement District	MUD	Yes	NA	0.2531	0.2659	0.5190		20%		100,000	(O) 100,000	5,000 to 12,000
Port O'Connor Improvement District Defined Area #1	DA1MU	No	NA	0.4810	0.0000	0.4810		20%		100,000	(O) 100,000	5,000 to 12,000

*Disabled Veteran Exemption is variable 10% to 29% = \$5,000; 30% to 49% = \$7,500; 50% to 69% = \$10,000; 70% to 100% = \$12,000