



Finance Department

Budget and Fiscal Affairs City of Houston Over 65/Disabled Exemption

Presented By:

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Current Over 65/Disabled Exemption

- Property owners pay taxes based on Adopted Tax Rate x Taxable Value (Appraised Value – Exemptions)
- City of Houston current Over 65/Disabled exemption: \$160,000
- Approximately 130,000 accounts qualify for the Over 65/Disabled exemption.
 - Of those accounts almost 70,000 already have a zero-tax bill due to the City's local 20% homestead exemption plus \$160,000 Over 65/Disabled exemption.
 - The remaining 60,000 accounts would see an additional savings on the current tax bill.



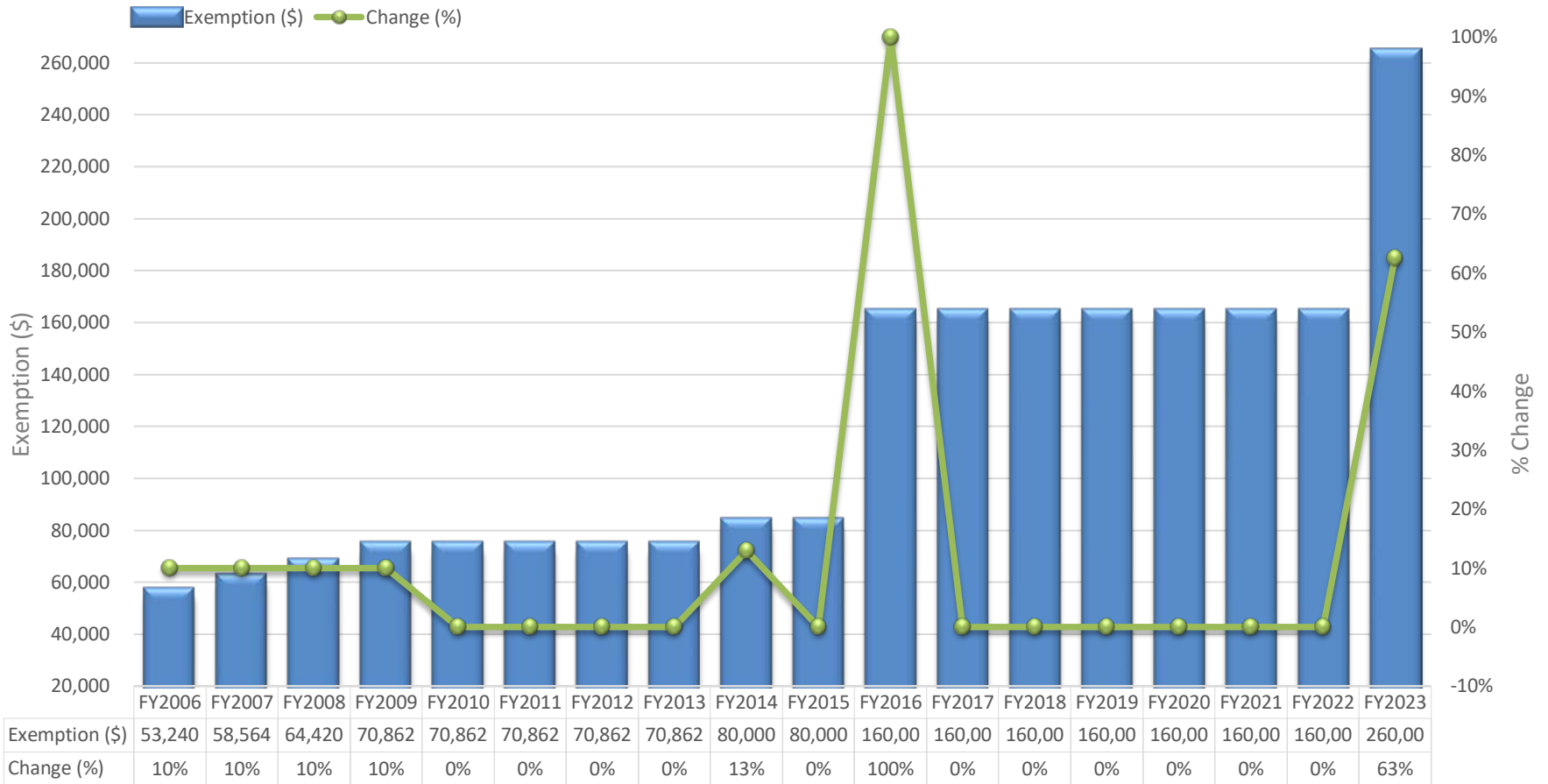
Current Over 65/Disabled Exemption Financial Impact

- Proposed increase in the Over 65/Disabled exemption to \$260,000
- Average homeowner savings on \$300,000 home will save approximately \$440.66 per year.

Over 65/Disabled Exemption	\$160,000	\$260,000
Appraised Value	\$300,000	\$300,000
20% residential homestead	-\$60,000	-\$60,000
Over 65/Disabled	-\$160,000	-\$260,000
Taxable Value	\$80,000	\$0
City Tax Rate	\$0.55083	\$0.55083
City Tax Bill	\$440.66	\$0.00



Over 65/Disabled Exemption





Why Increase the Over 65/Disabled Exemption?

- Increase in the Over 65/Disabled Exemption due to higher property values in Tax Year 2022.
- According to HCAD, values are at record highs.
 - Average home has increased about 15% - 30%
- Relief to City of Houston property owners in the face of rampant inflation.
- No impact to the FY2023 Proposed Property Tax Revenue budget



Timeline

Subject to Change

- Apr 28 Received Preliminary Certified Estimate from Appraisal Districts reflecting an estimated 8.98% taxable value increase
- May 31 Budget and Fiscal Affairs presentation
- Jun 8 City Council meeting to submit the Over 65/Disabled increase from \$160,000 to \$260,000.
- July 1 Last day to submit approved Ordinance to Appraisal districts and Harris County Tax Office.
- July 25 Receipt of Certified Estimate, begin Truth in Taxation process to set tax rate.



Questions?