



Legislation Text

File #: 24-2052, **Version:** 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: June 26, 2024
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Budget and Management Services
EXECUTIVE: Jack Ireland

SUBJECT

Authorize an increase in the homestead property tax exemption for persons who are disabled or 65 or older from \$139,400 to \$153,400 beginning with the 2024 tax year (fiscal year beginning October 1, 2024) - Total Estimated Annual Revenue Foregone: General Fund (\$5,402,040) and Debt Service Fund (\$2,072,628) (This item was deferred on June 12, 2024)

BACKGROUND

The City of Dallas grants a homestead exemption of 20 percent or a minimum of \$5,000 of the market value of residence homesteads. An additional exemption of up to \$139,400 of the market value is granted to those persons who are disabled or 65 or older. The \$139,400 exemption has been in effect since tax year 2023 (fiscal year beginning October 1, 2023).

On December 13, 2017, the City Council added Financial Management Performance Criteria (FPMC) #23 that requires a comparison of the current exemption for individuals who are disabled or 65 or older to the most recent annual Consumer Price Index (CPI) every two years.

On May 26, 2021, the City Council approved an amendment to FPMC #23 that requires a comparison of the current exemption to the most recent annual Consumer Price Index for the Elderly (CPI-E) or the year-over-year change in the average residential market value (whichever is greater) annually.

The proposed increase recognizes the year-over-year change in the average residential market value.

<u>Exemption Increase</u>	<u>Total Exemption</u>	<u>Projected General Fund Revenue Impact</u>	<u>Projected Debt Service Fund Revenue Impact</u>	<u>Incremental Savings to \$435,922 average Single-Family Home</u>
\$14,000	\$153,400	(\$5,402,040)	(\$2,072,628)	(\$103.00)
		TOTAL:	(\$7,474,668)	

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 23, 1986, the City Council established the disabled or 65 or older homestead exemption at \$50,000, by Resolution No. 86-1283.

On September 17, 1986, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$50,000 to \$64,000, by Resolution No. 86-2926.

On June 28, 2017, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$64,000 to \$90,000, by Resolution No. 17-1084.

On June 12, 2019, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$90,000 to \$100,000, by Resolution No. 19-0946.

On June 9, 2021, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$100,000 to \$107,000, by Resolution No. 21-918.

On June 8, 2022, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$107,000 to \$115,500, by Resolution No. 22-0855.

On June 14, 2023, the City Council authorized an increase of the disabled or 65 or older homestead exemption from \$115,500 to \$139,400, by Resolution No. 23-0764.

The Government Performance and Financial Management Committee was briefed on May 21, 2024, with a recommendation to move forward for full City Council approval on June 12, 2024.

On June 12, 2024, this item was held under advisement by Councilmember Adam Bazaldua.

FISCAL INFORMATION

Total Estimated Annual Revenue Foregone: General Fund (\$5,402,040) and Debt Service Fund (\$2,072,628)