



**CYPRESS-FAIRBANKS  
INDEPENDENT  
SCHOOL DISTRICT**

Adopted 2023  
Tax Rate



# Property Tax Relief

- Senate Bill 2
  - Contingent on November 7th election
    - Increase state-mandated homestead exemption from \$40,000 to \$100,000
    - Further compresses MCR rate \$0.1070
  - **Prohibits removal or reduction** of local optional homestead exemption until 2028
- House Joint Resolution 2
  - Exempts certain appropriations made for property tax relief from the constitutional spending limit

### \$200,000 Home

- Reduction of \$40,000 in taxable value
- Decrease of \$432 in property taxes

### \$350,495 Home (Average)

- Reduction of \$70,099 in taxable value
- Decrease of \$758 in property taxes

### Total District Impact

- Reduction of \$7.5B in taxable value
- Decrease of \$81M in **property tax revenues**

# IMPACT OF OPTIONAL HOMESTEAD EXEMPTION

# Legislature Determines Entitlement

## The Problem



Once district's cup size is determined, the state fills cup with local property taxes first.



Then, the state fills cup with state funds.



If a district offers tax relief through LOHE, the state funding formula never fills the cup.

# The Solution

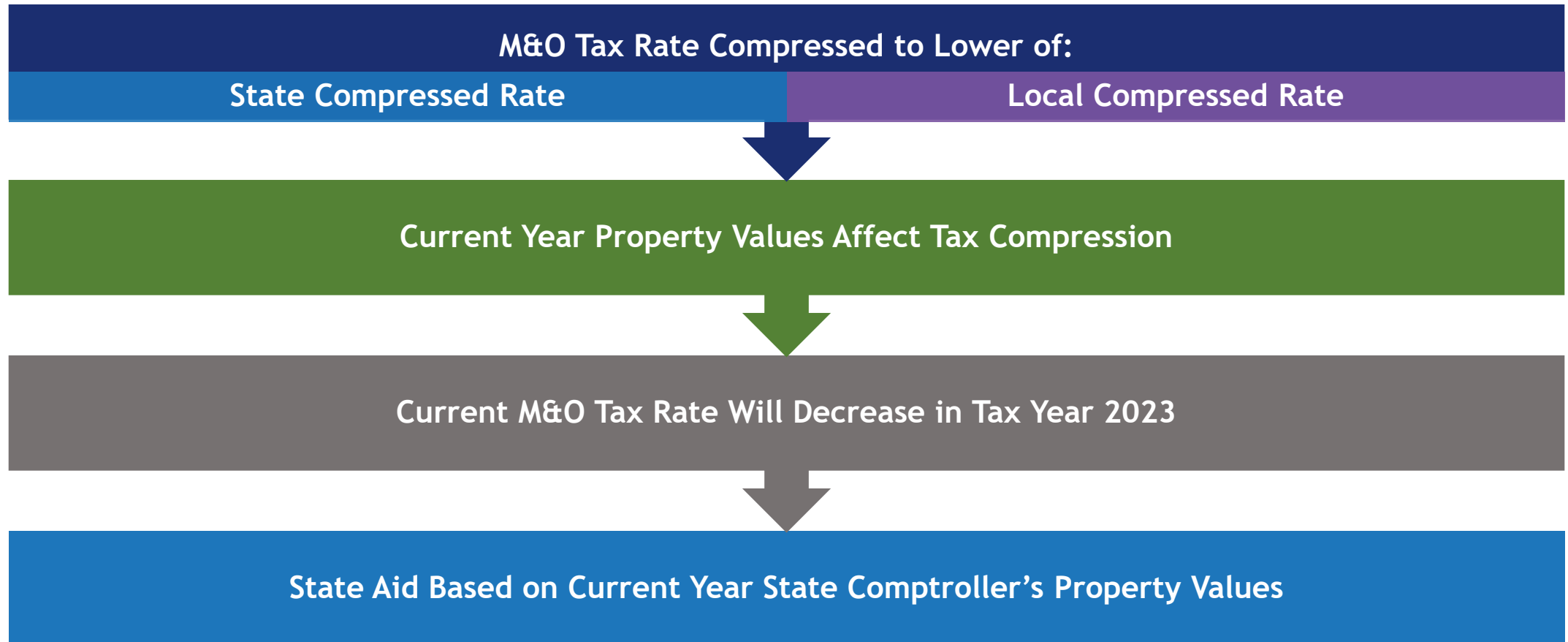
The Legislature must modify the adjustment in the Comptroller's property value assignment for the LOHE.

\$62M  
state  
funding



Senate Bill 2 in essence  
creates an unfunded  
mandated LOHE!

# Property Values and Tax Compression



# 2023-2024 Tax Rate Calculation Method

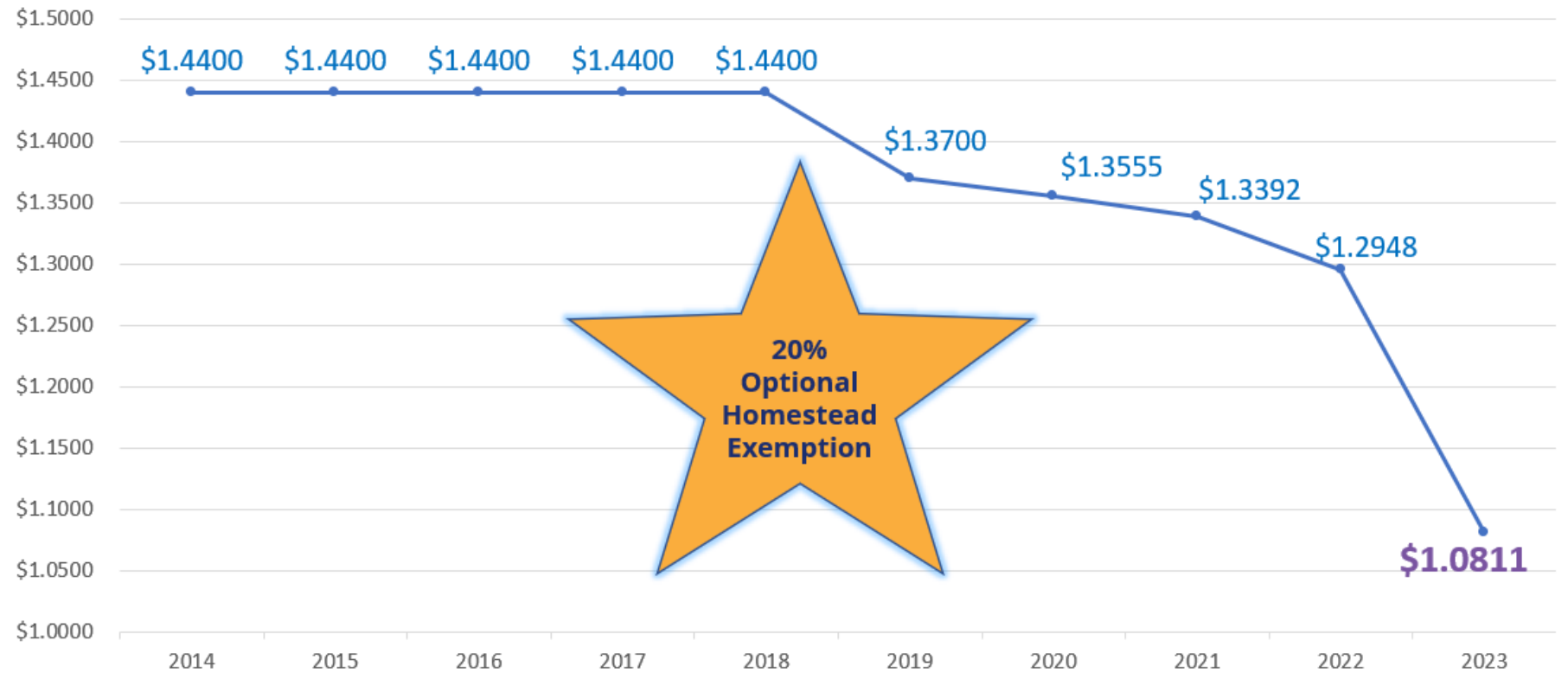
- Maximum Compressed Rate
  - Maintenance & Operations
  - Determined by TEA
- No-New-Revenue Tax Rate (NNR)
  - Tax rate that would produce the same levy in the coming year
    - Adjust prior year for new exemptions, appeals, etc.
    - Remove new items not on appraisal roll in prior year

# Adopted Tax Rate

- Adopted total tax rate of \$1.0811
  - Less than 2023 total NNR tax rate of \$1.104810
  - Less than 2022 total tax rate of \$1.2948



# History of Property Tax Rates



# Adopted Tax Rates 2023-2024

Description	Tax Rate
Maintenance & Operations	\$0.6811
Interest & Sinking	0.4000
Total Tax Rate	<u>\$1.0811</u>



QUESTIONS