



GARLAND
NOTICE OF MEETING
CITY OF GARLAND, TEXAS

Administrative Services Committee
Work Session Room of City Hall
William E. Dollar Municipal Building
200 N. Fifth Street
Garland, Texas
February 6, 2024
5:00 p.m.

A meeting of the Administrative Services Committee of the City of Garland, Texas will be held at the aforementioned location, date, and time to discuss and consider the following agenda items.

NOTICE: The committee may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns attorney/client communication, including pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.

AGENDA:

1. APPROVAL OF MINUTES

a. Consider Approval of November 12, 2023 Minutes

Committee will discuss and review minutes from the previous Administrative Services Committee meeting.

2. PUBLIC COMMENTS

Persons who desire to address the Committee on any item on the agenda are allowed three minutes to speak. Testimony may be held until the item is considered or given at the beginning of any committee meeting. Invited testimony may also occur at any time, subject to a request of the Member of the Committee and with the approval of the Committee Chairperson.

3. ITEMS FOR INDIVIDUAL CONSIDERATION

a. Discuss TIF Board Member Composition

Committee is asked to review TIF board member composition. This item was submitted by Councilmember Morris with Mayor Lemay as the second.

b. Annual Review of City Property Tax Exemptions

City Staff will present information on current property tax exemptions and provide additional information as needed for the committee's discussion.

c. Administration of a Public Art Program

City staff will aid discussion with the committee on the further establishment of a public art program and funding mechanisms. This item was submitted to committee by Council Members Lucht and Williams.

4. ADJOURN

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Administrative Services Committee

1. 1. a.

Meeting Date: 02/06/2024

Subject

Consider Approval of November 12, 2023 Minutes

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Administrative Services Committee

1. 3. a.

Meeting Date: 02/06/2024

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Discuss TIF Board Member Composition

Committee is asked to review TIF board member composition. This item was submitted by Councilmember Morris with Mayor Lemay as the second.

Administrative Services Committee

1. 3. b.

Meeting Date: 02/06/2024

Subject

Annual Review of City Property Tax Exemptions

City Staff will present information on current property tax exemptions and provide additional information as needed for the committee's discussion.

Attachments

Property Taxation for Over 65 - 2024

Staff Presentation

Exemption PPT



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Property Taxation for Over 65 Homeowners

- Prepared by: Corey Worsham, RTA – Tax Administrator



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Overview

Property owners age 65 and older (Over65) are afforded certain privileges and/or rights as it relates to their homesteaded property. The intent of these statutes were to provide financial relief, extended payment options and foreclosure protections for elderly property owners. This presentation will provide a narrative of tax administration as it relates to Over65 home ownership within the City of Garland. The following topics will be discussed:

- Homestead Exemption
- Payment Options
- Data Comparisons
- Amending Exemption





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Over65 Homestead Exemptions

Tax Code Section 11.13

In order to qualify for a homestead exemption a property must be:

- a separately secured structure not exceeding 20 acres
- owned in whole or part by the applicant
- designed or adapted for human residence
- occupied by the owner as a primary residence

A qualified structure does not lose its character as a residence homestead if the owner temporarily stops occupying the property for reasons of health, infirmity, aging or active military service.



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Over65 Homestead Exemption continued Tax Code Section 11.13

The Tax Code does not mandate a general homestead exemption for municipalities. However, a local option exemption is available. If approved, the local option exemption is administered as a percentage discount of no less than \$5,000 of the appraised value. In addition, an Over65 exemption may also be approved with a minimum exemption of \$3,000. Over65 exemptions are administered at a specific dollar value. Over65 exemptions may include a ceiling feature which would limit the levy increase for subsequent tax years.

The City of Garland (COG) has approved a local option homestead exemption of 10% and an Over65 exemption of \$56,000. The Over65 exemption does **not** include a tax ceiling.



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Payment Options

Tax Code Section 31.031

Installment payment plans (Quarter Pay) are available for Over65 homeowners. This option gives the property owner additional time to pay while avoiding the costly accrual of penalties. The total statement amount is split into four equal payments to be paid by the following dates:

1st Payment - January 31st

2nd Payment – March 31st

3rd Payment – May 31st

4th Payment – July 31st



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Payment Options continued Tax Code Section 31.031

Tax Year	Qtr. Pay Participants	Over65 Accounts
2020	757	15,423
2021	753	15,742
2022	795	15,716
2023	855	15,560

- All property owners are sent notification of installment payment plan via their annual statement
- Prior year participants will automatically receive an application and payment schedule with their annual statement
- The first qualifying payment should be paid by January 31st but may be accepted through February with penalties
- Late payments will receive penalties respective to the quartered amount



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Tax Deferrals Tax Code Section 33.06

Over 65 homeowners are able to postpone payment of taxes and protect their home from property tax foreclosure. Tax deferral postpones payment as long as the resident owns the home. A change of ownership removes the deferral and provides the new owner or heirs 181 days to pay the balance in full. Mortgaged property owners are cautioned when applying as most mortgage companies will not allow a deferral of taxes. Tax deferrals include the following benefits:

- Penalties and collection fees are frozen at the time of approval
- Once deferred, all legal action is dismissed and/or prohibited
- Account receives 5% annual interest on delinquent balance
- Property owners are allowed to pay at their own pace



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Tax Deferrals Tax Code Section 33.06

2021

- 167 Deferred Accounts
- \$419,117 Deferred Levy
- 66% Collected

2022

- 262 Deferred Accounts
- \$454,027 Deferred Levy
- 61% Collected

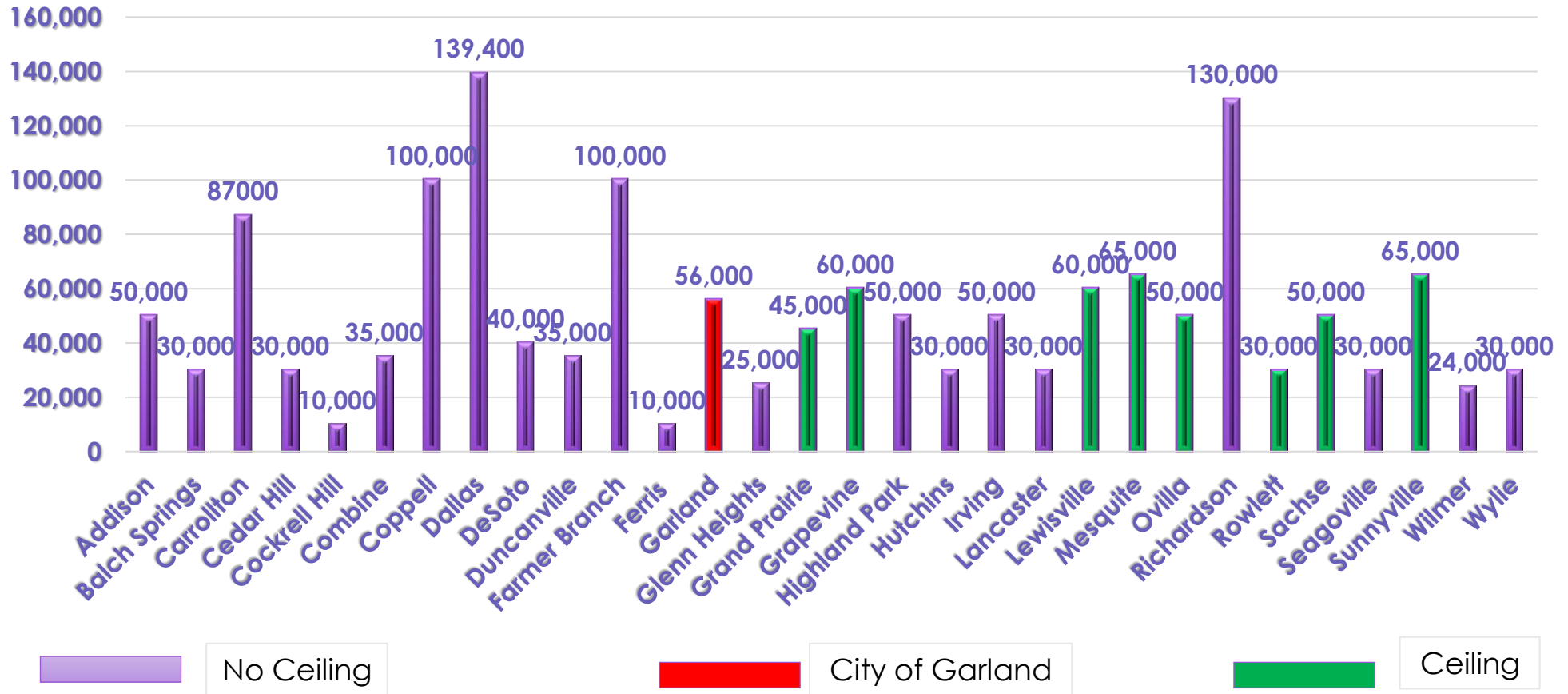
2023

- 275 Deferred Accounts
- \$483,095 Deferred Levy
- 40% Collected



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Dallas County Over65 Exemption Comparison





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Residential Property Value Comparison

City	Residential Parcel Count	Average Residential Value	Over 65 Participants	% of Residential Property with Over 65	% of Residential Value loss due to Over 65
Garland	64,481	\$278,449	15,558	24%	4%
Irving	46,591	\$344,685	9,202	19.7%	2.8%
Grand Prairie	35,608	\$235,843	6,636	18.6%	3.4%
Mesquite	38,718	\$240,236	7,917	20.4%	5.5%
Desoto	17,106	\$313,997	4,436	25.9%	3.3%
Richardson	21,123	\$381,022	6,085	28.8%	9.7%
Averages	37,271	\$299,039	8,306	23%	5%



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Historical Study of COLA Based Theory

Year	Over 65 Exemption Value	COLA Change	# of Over65 Participants	Over65 Levy Reduction per Participant	Total Levy \$ reduced by Over65
2016	51,000	.3%	13,820	\$359.35	\$4,862,244
2017	51,000	2%	14,275	\$359.35	\$5,032,117
2018	51,000	2.8%	14,691	\$359.35	\$5,180,802
2019	51,000	1.6%	15,058	\$392.50	\$5,797,439
2020	56,000	1.3%	15,421	\$430.98	\$6,512,405
2021	56,000	5.9%	15,740	\$423.90	\$6,534,979
2022	56,000	8.7%	15,714	\$401.35	\$6,180,637
2023	56,000	3.2%	15,560	\$386.26	\$6,010,206



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Amending Exemption Tax Sections 11.13, 11.261

- Amendments to the Over65 exemptions must be approved by the governing body by July 1st
- The governing body may also call an election on the petition of at least 20% electorate which participated in the preceding election of the taxing unit
- Changes to the exemption amount must result in an exemption amount of at least \$3,000 of value.
- Tax ceilings once approved may **not** be removed.



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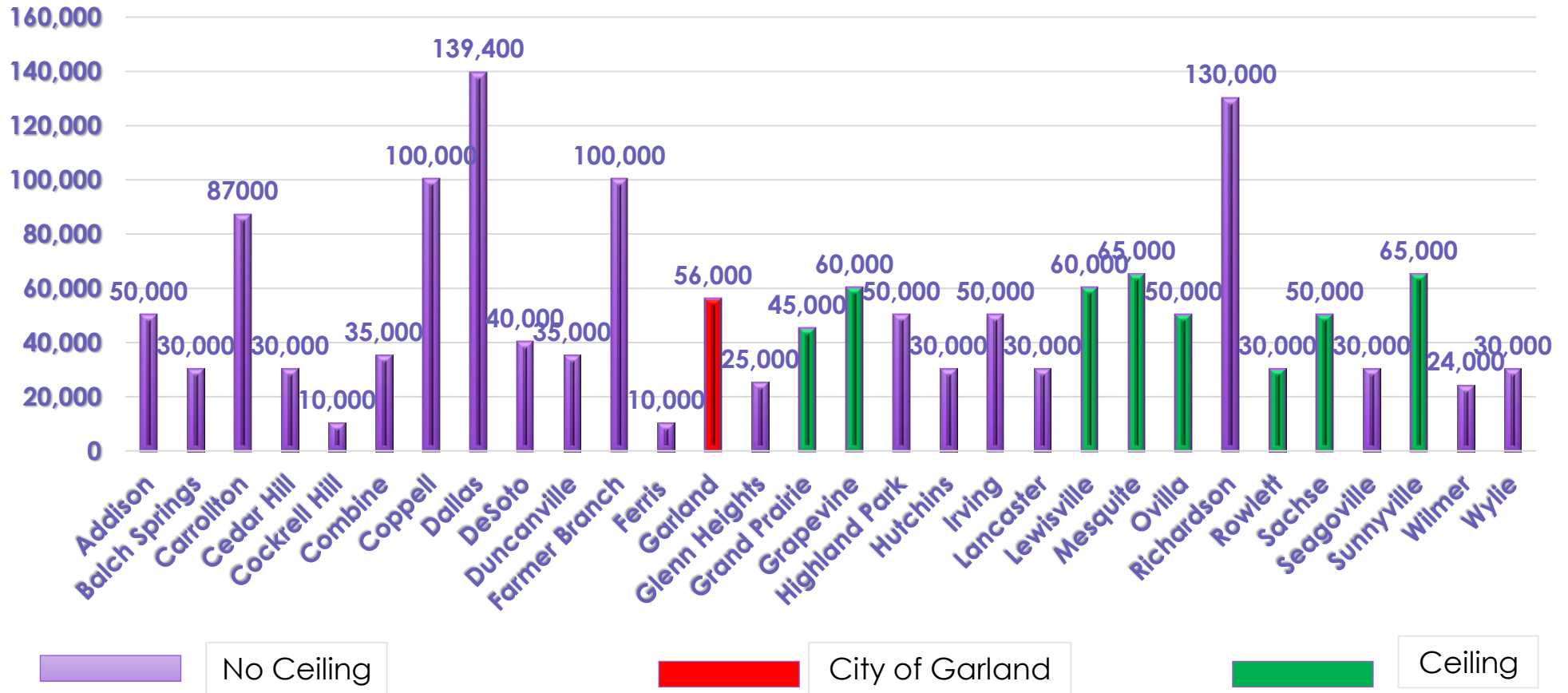
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Administrative Services Committee

Analysis on Homestead and Senior Exemption

February 6, 2024

Homestead Exemption

Increasing Exemption

Impact on Resident	11%	12%	13%
Increase	1%	2%	3%
Net Change in Annual Property Taxes:			
\$ 100,000 Home	\$ (7)	\$ (14)	\$ (21)
200,000 Home	(14)	(28)	(41)
300,000 Home	(21)	(41)	(62)
400,000 Home	(28)	(55)	(83)

Impact on City Revenue	11%	12%	13%
Increase	1%	2%	3%
Lost Revenue:			
Lost General Fund Revenue	\$384,000	\$769,000	\$ 1,154,000
Lost Debt Service Revenue	459,000	920,000	1,380,000
Total Lost Tax Revenue	\$843,000	\$1,689,000	\$2,534,000

Senior Exemption

Increasing Exemption

Senior Impact	\$57,500	\$59,000	\$61,000
Increase	1,500	3,000	5,000
Net Change in Annual Property Tax	\$ (10)	\$ (21)	\$ (34)

Impact on City Revenue	\$57,500	\$59,000	\$61,000
Increase	1,500	3,000	5,000
Lost Revenue:			
Lost General Fund Revenue	\$85,000	\$170,000	\$ 283,000
Lost Debt Service Revenue	101,000	203,000	338,000
Total Lost Tax Revenue	\$186,000	\$373,000	\$621,000



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Questions?

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