MoakCasey

PROVEN LEADERS ADVANCING TEXAS SCHOOLS

Local Property Value Survey

Prepared for

TEXAS SCHOOL POLICY NETWORK

Property Taxes

What are property values used for?

- **To determine tax compression:** Districts report grand total, net taxable value from their certified report to TEA each July. Year-over-year growth determines amount of Tier One tax compression.
- **To determine state aid/recapture:** Comptroller T values from the Property Value Study determine local share. This figure does not include losses from LOHEs and includes a freeze loss deduction.
- **To determine tax collections:** This calculation will rely on freeze-adjusted values and frozen taxes paid. Also, may incorporate anticipated ARB losses.

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Property Taxes

M&O Tax Rate

Texas school districts levy a **maintenance and operations property tax rate**, comprised of two tiers and two levels.

M&O Tax Rate

- The **Tier One** portion of a district's rate is subject to **ongoing compression** due to HB 3 (2019). Prior to HB 3, most districts had a Tier One rate of **$1.00**.
- After HB 3, districts Tier One rate is determined by various formulas that depend on **estimated statewide property value growth** and **local property value growth**.
- TEA notifies districts of the highest Tier One rate they can adopt each summer through the **Local Property Value Survey**.

M&O Tier One Compression

STATEWIDE COMPRESSION
(started in 2019-20)

- Determined by statutory formula that depends on **Comptroller's estimate** of projected statewide property value growth.
- Projected growth in **excess of 2.5%** results in statewide compression.
- Acts as a **maximum Tier One rate or ceiling** for every school district.
- The Texas Legislature **must fund additional statewide compression** if districts were at 90% compression floor in previous biennium

LOCAL COMPRESSION
(started in 2020-21)

- Determined by statutory formula that depends on **local property value growth**.
- Local growth in **excess of 2.5%** could result in additional compression.
- Local compression will **impact individual school districts differently**.
- Local compression floor is **90% of state compression rate.**

M&O Tier One Compression

STATEWIDE COMPRESSION

TY 2025: **63.22%**

Calculated based on Comptroller's estimated statewide property value growth of ***5.60% + $0.0331 in GAA.***
90% floor is 56.89%

TY 2026: **62.54%**

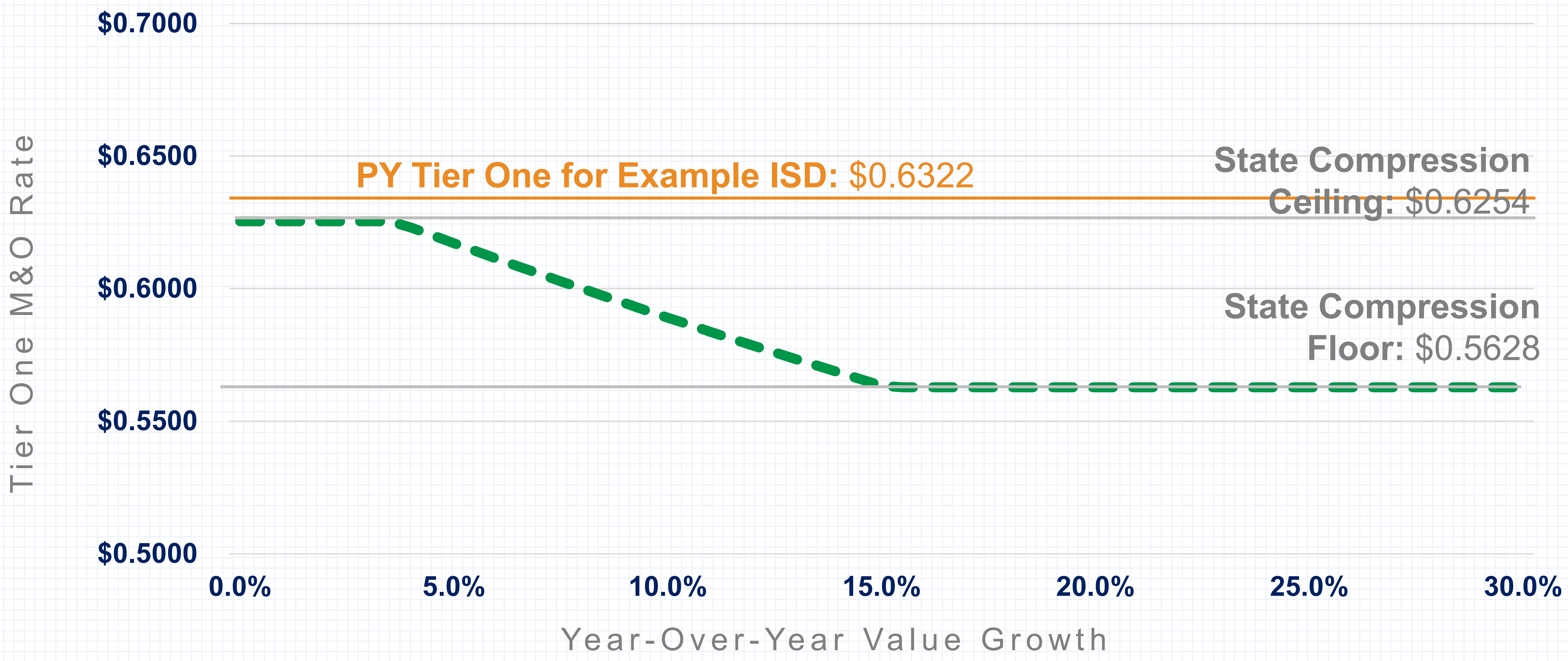
Calculated based on Comptroller's estimated statewide property value growth of ***3.60%****. 90% floor would be 56.28%*

LOCAL COMPRESSION

Districts with **more than 2.5 percent** value growth could be subject to additional rate compression.

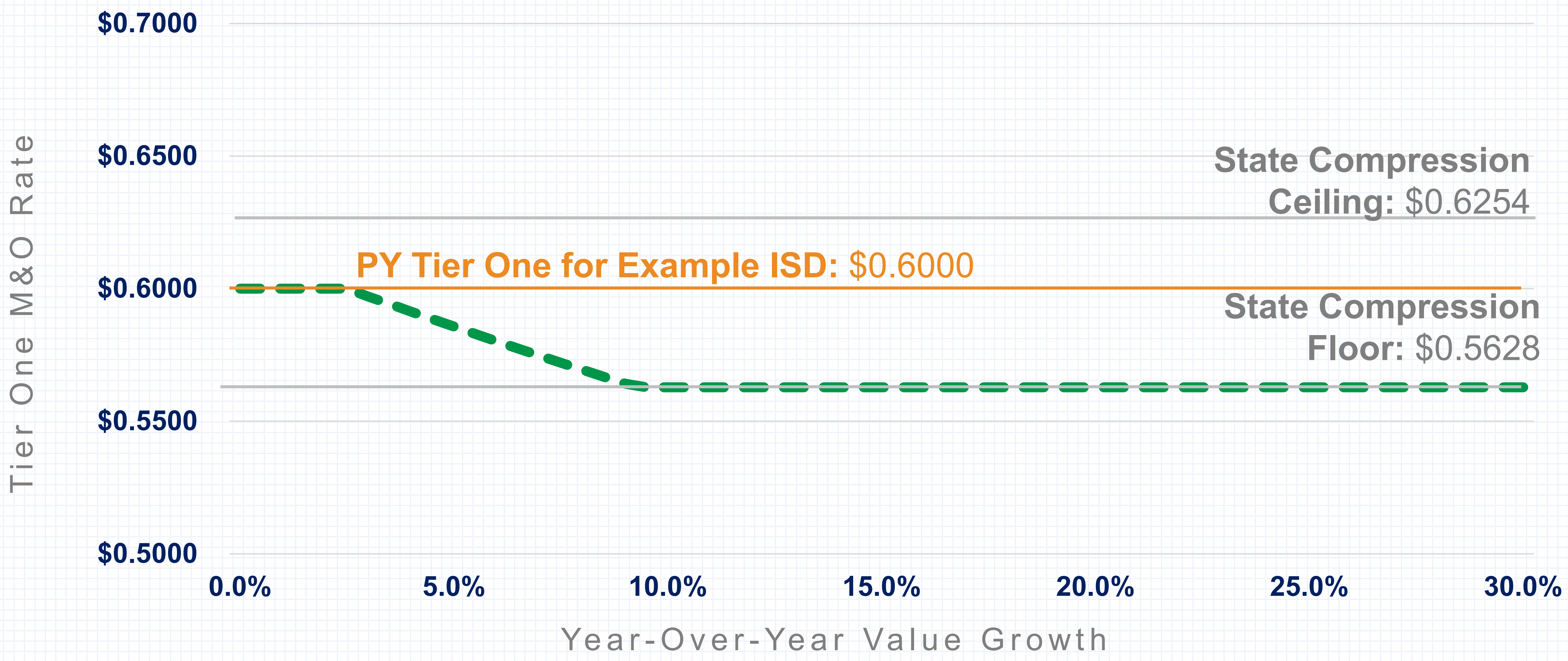
TY 2026

M&O Tier One Compression



TY 2026

M&O Tier One Compression



How is value growth calculated?

- Value growth is determined by data collected through the **Local Property Value Survey (LPVS)** administered by TEA.
- School districts are responsible for correctly interpreting CAD reports and submitting that information on the LPVS.
- LPVS opens July 18th, closes August 1st.
- ***ISDs have 10 days to appeal***. Finalized on August 31st. Incorporated into SOF following Feb with prelim values.

Local Property Value Survey

IMPORTANT NOTE!

Gather the following:

- *2025 July 25th certified values at $140k Homestead & $60k 65+/Disabled*

- *2026 July 25th certified values (will still be at $140k Homestead & $60k 65+/Disabled)*

- *Use the TEA MCR Template to forecast compression.*

Local Property Value Survey

Districts must report the following information on the LPVS:

Previous Year

- July 25th Certified Taxable Values ($140k HS/$60k 65+/Disabled)
- Local Optional Homestead Exemption loss *(if applicable)*

Current Year

- July 25th Certified Taxable Values ($140k HS/$60k 65+/Disabled)
- Value no longer subject to 313/311 limitations *(if applicable)*
- Local Optional Homestead Exemption loss *(if applicable)*

Local Property Value Survey

Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll reported to TEA should be:

☑ Grand Total	☒ ARB-Approved
☑ Net Taxable	☒ Freeze-Adjusted
☑ M&O	☒ I&S

Local Property Value Survey

As of Certification

2026 CERTIFIED TOTALS

Grand Totals

Land		Value			
Homesite:		59,133,460			
Non Homesite:		161,027,408			
Ag Market:		880,251,780			
Timber Market:		0	Total Land	(+)	1,100,412,648

Improvement		Value			
Homesite:		282,513,201			
Non Homesite:		247,953,020	Total Improvements	(+)	530,466,221

Non Real	Count	Value			
Personal Property:	927	639,836,638			
Mineral Property:	23,886	293,266,344			
Autos:	0	0	Total Non Real	(+)	933,102,982
			Market Value	=	2,563,981,851

Ag	Non Exempt	Exempt			
Total Productivity Market:	880,251,780	0			
Ag Use:	36,324,883	0	Productivity Loss	(-)	843,926,897
Timber Use:	0	0	Appraised Value	=	1,720,054,954
Productivity Loss:	843,926,897	0			
			Homestead Cap	(-)	13,819,081
			Assessed Value	=	1,706,235,873
			Total Exemptions Amount (Breakdown on Next Page)	(-)	590,101,494

This Jurisdiction is affected by ECO and /or ABMNO exemptions

M&O Net Tax

I&S Net Taxa

M&O Net Taxable	=	1,116,134,379
I&S Net Taxable	=	1,445,882,809

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	17,018,308	4,592,626	28,908.04	32,045.90	218			
OV65	64,293,569	20,612,146	135,333.39	151,435.24	713			
Total	81,311,877	25,204,772	164,241.43	183,481.14	931	Freeze Taxable	(-)	25,204,772
Tax Rate	1.0070000							

Freeze Adjusted M&O Net Taxable	=	1,090,929,607
Freeze Adjusted I&S Net Taxable	=	1,420,678,037

If you have a 313 limitation agreement in place, then you will see separate values for M&O and I&S.

Enter the M&O value into the LPVS.

Local Property Value Survey

Land		Value			
Homesite:		656,414,120			
Non Homesite:		1,861,528,808			
Ag Market:		298,938,945			
Timber Market:		0	Total Land	(+)	2,816,881,873

Improvement		Value			
Homesite:		1,954,273,463			
Non Homesite:		3,307,115,740	Total Improvements	(+)	5,261,389,203

Non Real	Count	Value			
Personal Property:	4,069	790,871,676			
Mineral Property:	856	4,128,468			
Autos:	0	0	Total Non Real	(+)	795,000,144
			Market Value	=	8,873,271,220

Ag	Non Exempt	Exempt			
Total Productivity Market:	298,938,945	0			
Ag Use:	4,754,474	0	Productivity Loss	(-)	294,184,471
Timber Use:	0	0	Appraised Value	=	8,579,086,749
Productivity Loss:	294,184,471	0			
			Homestead Cap	(-)	320,631,864
			Assessed Value	=	8,258,454,885
			Total Exemptions Amount (Breakdown on Next Page)	(-)	2,015,661,439
			Net Ta		

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	64,283,274	28,757,750	259,895.41	284,829.97	738			
OV65	657,283,683	293,512,344	2,551,933.27	2,729,481.50	7,670			
Total	721,566,957	322,270,094	2,811,828.68	3,014,311.47	8,408	Freeze Taxable	(-)	322,270,094
Tax Rate	1.2167000							

Freeze Adjusted Taxable = 5,920,523,352

Net Taxable = 6,242,793,446

Otherwise, you will just see one "Net Taxable" figure. This will be the number to enter into the LPVS.

Where do I find that?

Local Optional Homestead Exemption loss reported to TEA:

☑ **Local Optional Homestead Exemption**

Up to 20% allowed under TTC §11.13(n)

Apprx. one-third of ISDs have adopted LOHEs.

☒ **Mandated $140k State Homestead Exemption**

TTC §11.13(b)

Local Property Value Survey

Exemption Breakdown

Exemption	Count	Local	Stat	
DP	231	0	1,617,126	1,617,126
DV1	17	0	134,877	134,877
DV1S	1	0	5,000	5,000
DV2	7	0	37,500	37,500
DV2S	2	0	7,500	7,500
DV3	12	0	96,920	96,920
DV3S	1	0	10,000	10,000
DV4	36	0	356,819	356,819
DV4S	2	0	12,000	12,000
DVHS	30	0	4,035,919	4,035,919
ECO	2	329,748,430	0	329,748,430
EX	55	0	1,578,783	1,578,783
EX-XG	1	0	5,000	5,000
EX-XN	2	0	2,486,215	2,486,215
EX-XU	5	0	22,338	22,338
EX-XV	239	0	98,251,109	98,251,109
EX366	6,148	0	581,765	581,765
HS	2,753	47,205,285	97,664,430	144,869,715
HT	2	37,305	0	37,305
OV65	835	0	6,177,173	6,177,173
OV65S	3	0	30,000	30,000
	Totals	**376,991,020**	**213,110,474**	**590,101,494**

HS Row, Local Column

IMPORTANT NOTE!

If your district includes multiple counties, you will need to pull these values for all counties within your boundaries and add them together for your LPVS entry.

Local Property Value Survey

ANOTHER IMPORTANT NOTE!

The M&O tax rate you adopt should be the MCR plus the number of Tier Two pennies you wish to adopt for the next school year.

Questions?