MoakCasey

PROVEN LEADERS ADVANCING TEXAS SCHOOLS

Property Value Study

Prepared for

TEXAS SCHOOL POLICY NETWORK

Property Taxes

Property Value Timeline

- **April of Tax Year:** CAD releases preliminary estimate.
  This does not reflect taxpayer protests. Often, certain categories of properties are not appraised at this point either.

- **July of TY:** CAD releases certified values.
  Most taxpayer protests should be resolved by this point.

- **Fall of TY:** CAD submits tax roll to Comptroller (EARS/Self-Report)
  Some changes could occur in tax roll by this time.

- **December of TY:** Comptroller releases pre-preliminary.
  First chance for ISDs to see their T values for that tax year. Short window to correct mistakes in time for inclusion in Feb/March SOF.

- **January 31, TY+1:** Comptroller releases preliminary values.
  This release kicks off the protest window.

Property Taxes

Property Value Timeline

YOU ARE HERE

- **February/March TY+1:** TEA updates SOF to include preliminary values. *TEA says they may be pushing it as early as today?*
- **August, TY+1:** Comptroller releases results of protests filed in January. This the "Final PVS" data posted on their site.
- **September, TY+1:** TEA updates SOF to include Final PVS values during near final.
- **August, TY+4:** Comptroller deadline for audits to state certified property values. Districts can file up to three audits over that time period.

Property Value Study

Property Taxes

- ISDs now know if their **local CAD values were found to be valid or if they were assigned state values.**
- CADs/Districts have **40 days to appeal their preliminary values.** You can still protest even if your local values are valid (lower values will result in more state aid/less recapture).
- There are remaining issues around the 65+/disabled freeze compression tied to SB 12 and SB 2.

Property Value Study

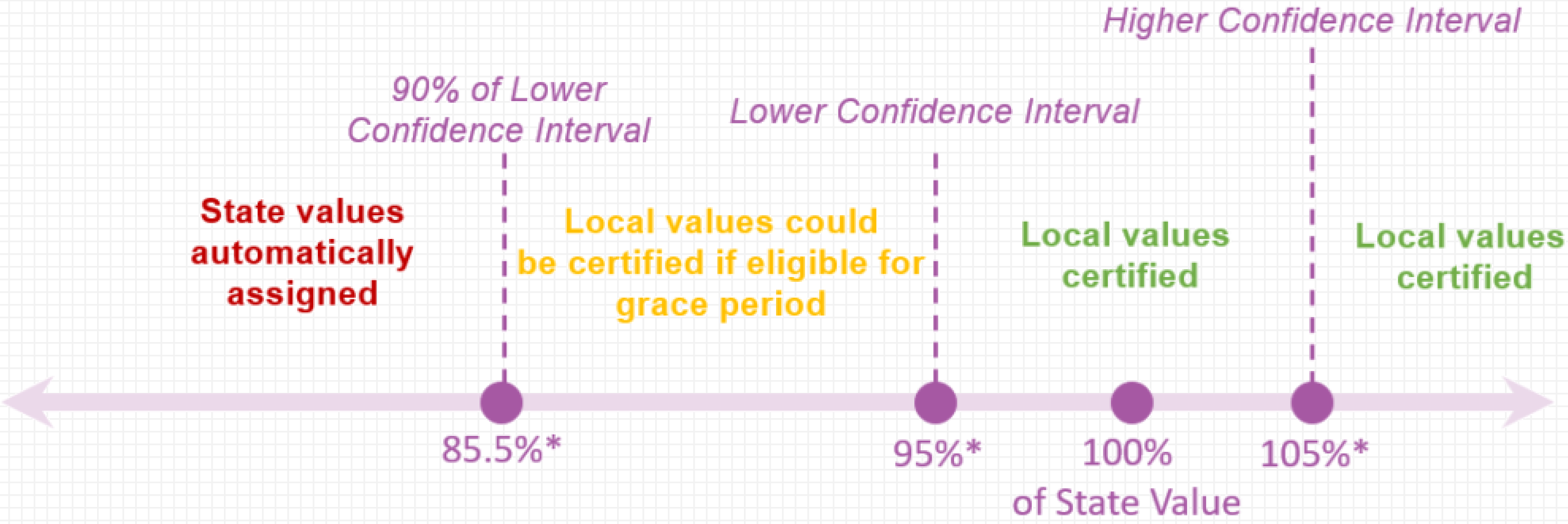
Property Taxes

	2023 Prelim.	2023 Final	2024 Prelim.	2024 Final	2025 Prelim.
Grace Year 1	40	37	19	16	38
Grace Year 2	18	17	8	7	6
State Value	113	87	64	49	60
State Lower Than Local	12	8	22	18	11

Note: Unit of analysis in table above is individual ISD-CAD geographies. A district that spans multiple counties would count multiple times.

Property Taxes

Property Value Study



*Margin of error may be larger based on statistical tests conducted by Comptroller's Office

Property Taxes

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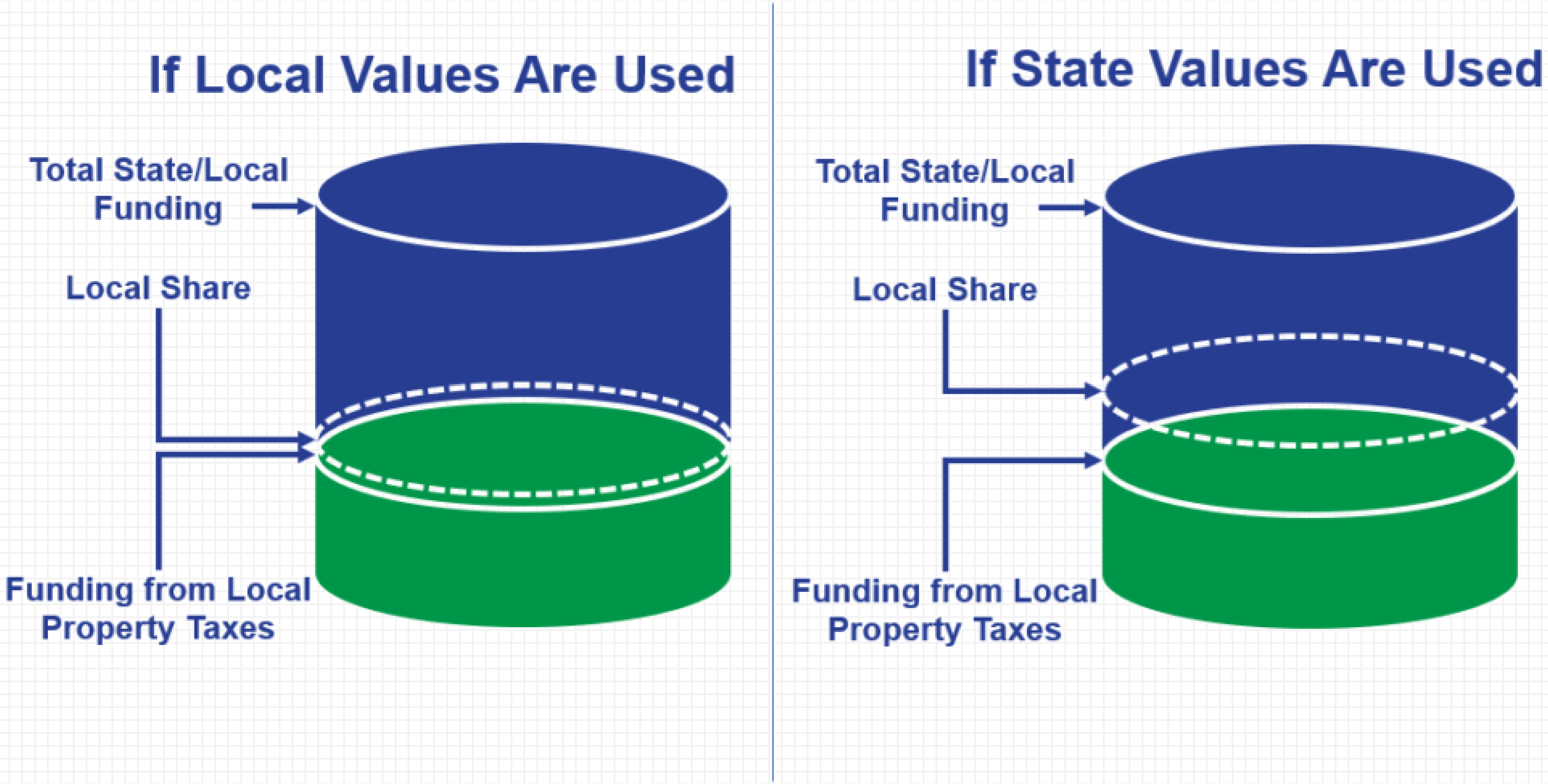
2022	2023	2024	2025	2026	2027	2028
SDPVS	MAP	SDPVS	MAP	SDPVS	MAP	SDPVS
Grace Y1	SDPVS & MAP	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace	MAP	SDPVS
Grace Y1	Grace Y2	SDPVS (No Grace)	MAP	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace
Grace Y1	Grace Y2	State	SDPVS & MAP (No Grace)	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace
Grace Y1	Grace Y2	State	State	SDPVS (No Grace)	MAP	SDPVS (No Grace)

Property

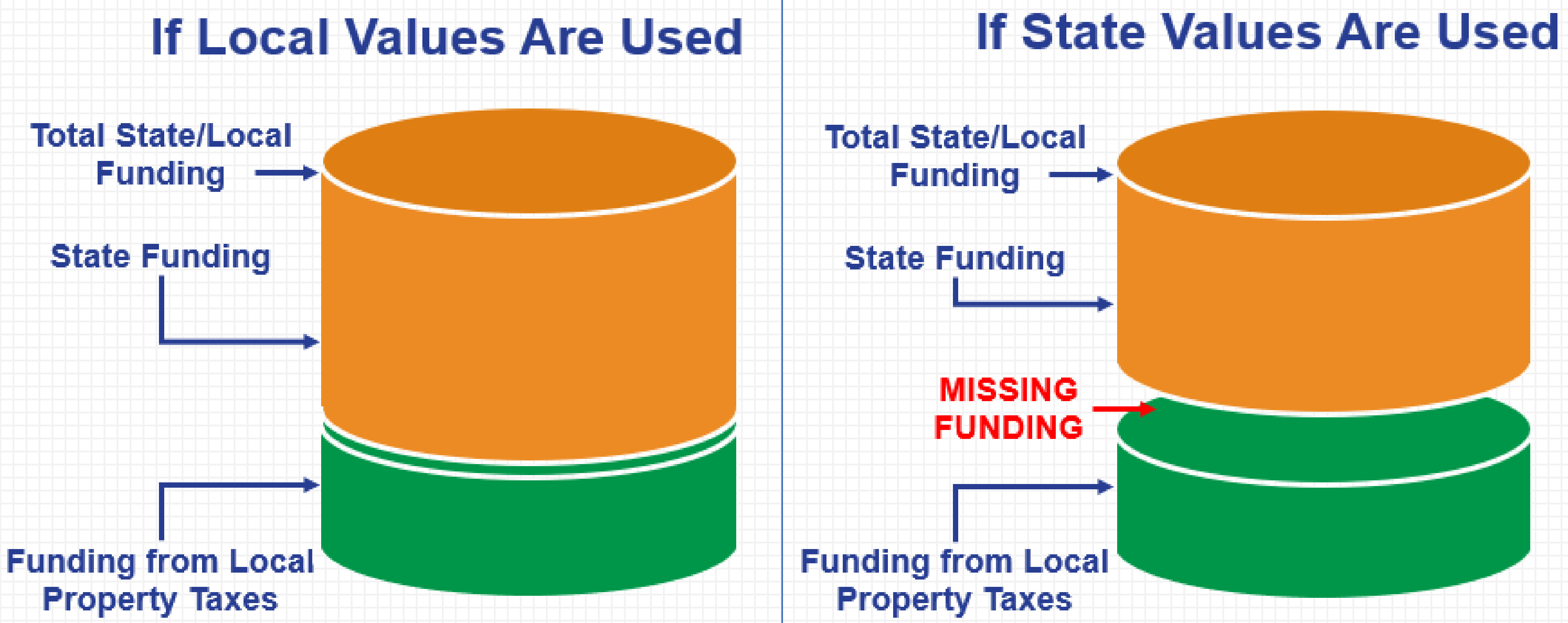
Taxes

Property Value Study



Property Taxes

Property Value Study



What are all these T Values for?

Property Taxes

- **T2** - Used to determine M&O state aid/recapture ($140K Homestead/$60k 65+ & Disabled)
- **T8** - Used to determine I&S state aid ($140K Homestead/$60k 65+ & Disabled)
- *All other T values are used for purposes of calculating various hold harmlesses*

What are all these T Values for?

Property Taxes

- **T1** - Used to determine M&O ASAHE hold harmless (M&O Values at **$100K** Homestead)
- **T7** - Used to determine I&S ASAHE hold harmless (I&S Values at **$100K** Homestead)
- **T13** - Used to determine M&O ASAHE hold harmless (M&O Values at **$40k** Homestead)
- **T14** - Used to determine I&S ASAHE hold harmless (I&S Values at **$40k** Homestead)

Property Taxes

What are all these T Values for?

- **T15** - Used to determine M&O ASAHE hold harmless (M&O Values at **$25k** Homestead)
- **T16** - Used to determine I&S ASAHE hold harmless (I&S Values at **$25k** Homestead)
- **NEW T19** - Used to determine M&O ASAHE hold harmless (M&O Values at **$15k** Homestead)
  Not needed for school funding calcs
- **NEW T20** - Used to determine I&S ASAHE hold harmless (I&S Values at **$15k** Homestead)

Property Taxes

What are all these T Values for?

- **NEW T21** - Used to determine M&O hold harmless (M&O Values at **$10k** 65+/Disabled)
- **NEW T22** - Used to determine I&S hold harmless (I&S Values at **$10k** 65+/Disabled)
- **T17** - Used to determine M&O hold harmless (M&O values if frozen levy compression had not occurred)
- Other T Values are related to local optional homestead exemptions (LOHE) and are no longer used for school funding purposes.

Foundation School Program

OTHER

The other T Values from the PVS drive M&O funding received through the FSP under **Other Programs,** as well as **$1.3 billion** in I&S ASAHE funding.

Other Program	2025-26 Estimate
SB 12 (65+ & Disabled) Hold Harmless	$714 million
SB 2 (Tax Compression) Hold Harmless	$248 million
HB 1605 State-Approved Instructional Materials	$199 million
Charter Facilities	$147 million
HB 1605 Open Education Resources	$100 million
Supplemental TIF Payments	$99 million
Regional Insurance Cost Differentials	$65 million
Immediate Homestead Hold Harmless	$50 million
HB 2 Hold Harmless for Former Recapture ISDs	$44 million
SB 1882 Partnerships	$41 million
M&O Homestead Exemption Hold Harmless	$7 million

Property Taxes

Frozen Levy Issue

- New reporting requirements being implemented by the Comptroller are causing the estimated impact of prior tax relief legislation to change considerably.
- Under these rules, the estimated impact of SB 2 (88th, 2nd Called Session) and SB 12 (87th, 2nd Called Session) on the property taxes paid by taxpayers subject to the 65+/disabled tax ceiling was significantly reduced.
- Statewide, these two bills reduced the taxes paid by frozen taxpayers by **$1.4 billion** in 2024.
- However, according to recent data from the Comptroller's office, that estimated impact for tax year 2025 has now reduced to **$900 million.**

Property Taxes

Frozen Levy Issue

- This does not reflect the reality districts are facing, however. Districts have seen taxes from their frozen taxpayers continue to decrease. Frozen taxes fell from 2024 to 2025 by **$550 million** according to Comptroller data, which would indicate that the impact of tax relief measures has grown, not shrunk.

- This reduction in the estimated impact on frozen taxes will jeopardize the nearly **$500 million in hold harmless** funding received by districts in 2024-25.

- Additional analysis will need to be done to determine impact for 2025-26, but districts have currently been paid based on TEA's assumptions, which are generating around **$700 million** in funding.

- You can find your current funding amount under the Other Programs detail report on the SOF.

Property Taxes

Frozen Levy Issue

Foundation School Program FSP Funding Texas Schools

2024-2025 Additional State Aid for Adjustment of Limitation on Tax Increases on Homestead of Elderly or Disabled (TEC 48.2542) Detail Report

BOERNE ISD (130901)

Last Update: NOV 21, 2025

Payment Cycle: Near-Final | Payment Class: 3 | Run ID: 46149

Calculation of Additional State Aid for Adjustment of Limitation on Tax Increases on Homestead Exemption of Elderly or Disabled (TEC 48.2542)		**LPE**			**DPE**		
Data Elements		Prior to application of tax compression on homesteads of elderly or disabled (T17)	After adjustment for tax compression on taxes on homesteads of elderly or disabled (T2)	Difference	Prior to application of tax compression on homesteads of elderly or disabled (T17)	After adjustment for tax compression on taxes on homesteads of elderly or disabled (T2)	Difference
1.	Current Year State Certified Property Value	$12,685,019,415	$11,574,211,362	($1,110,808,053)	$12,591,339,926	$11,481,716,553	($1,109,623,373)
2.	Current Year Adopted M&O Tax Rate	$0.6669	$0.6669	$0.0000	$0.6669	$0.6669	$0.0000
3.	Current Year Frozen Levy	$27,126,523	$16,119,526	($11,006,997)	$27,253,992	$16,258,734	($10,995,258)
4.	Total Cost of Tier One	$87,775,604	$87,775,604	$0	$86,785,018	$86,785,018	$0
5.	Local Fund Assignment	$78,253,885	$71,401,310	($6,852,575)	$77,675,976	$70,830,709	($6,845,267)
6.	ASF	$6,353,870	$6,353,870	$0	$6,353,870	$6,353,870	$0

Frozen Levy Issue

Property Taxes

Foundation School Program FSP Funding Texas Schools

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Questions & Comments