

State Mandated Over 65 Homestead Tax Exemption

- Homeowners age 65 & older who have filed for and received the Over 65 exemption will not see an increase over their frozen dollar amount, unless improvements or additions are made to the residence.
- To have your school taxes frozen, you must file a homestead application with the appraisal district and be granted the Over-65 exemption.
- The Over 65 Homestead Tax Exemption grants a \$10,000 tax exemption to Homestead values in addition to the \$100,000 General Homestead Exemption.
- Limits Over 65 Homestead property taxes to a tax dollar ceiling depending on when the homeowner applied for the Over 65 exemption.
- **BALLOT LANGUAGE**: Since 2019, state law requires all bond propositions for any school district to have the phrase “THIS IS A PROPERTY TAX INCREASE” on all ballot language for bond propositions. Homeowners age 65 & older who have filed for and received the Over 65 exemption will **NOT** see an increase over their frozen dollar amount.
- Check your most recent Notice of Assessed Value Change to see if you will be impacted.



AGES 65 & OLDER

**\$0 TAX
IMPACT**

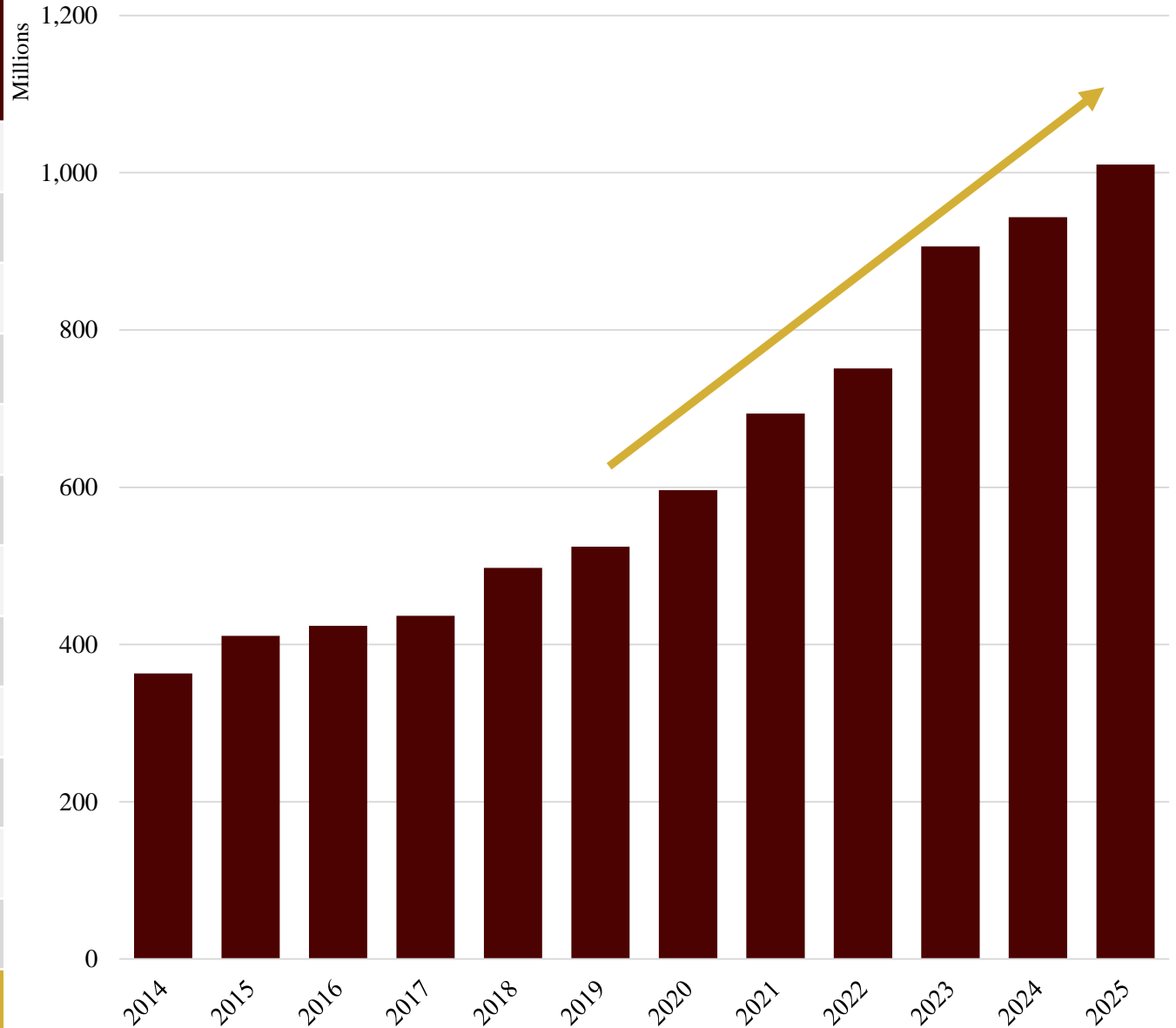
OVER FROZEN DOLLAR AMOUNT

Historical Assessed Valuation

Freeze Adjusted Valuation History

FYE	Taxable Value	% Change
2014	363,363,100	-
2015	411,157,880	13.15%
2016	423,633,880	3.03%
2017	436,695,481	3.08%
2018	497,583,694	13.94%
2019	524,363,930	5.38%
2020	596,398,275	13.74%
2021	693,647,657	16.31%
2022	750,957,069	8.26%
2023	906,136,554	20.66%
2024	943,390,258	4.11%
2025	1,010,509,882	7.11%
AVERAGE GROWTH		~ 9.89%

Tarkington ISD Freeze Adjusted Valuation History



Multi-Phase Bond Capacity Summary ⁽¹⁾⁽²⁾

Summary of potential bond capacity and required tax rate

- This approach allows the District to postpone the issuance of some bond funds until values increase and until the District is ready to begin additional projects.
- The District would only issue amounts that can be supported by the promoted tax rate.
- Timing and amount of each sale is preliminary and subject to change based on actual growth, interest rates and the District's needs.

Bond Sale Year ⁽³⁾	Bond Terms	Proposed Total Tax Rate	Total Tax Rate Change	Annual Impact to Average Homestead ⁽⁴⁾	Monthly Impact to Average Homestead ⁽⁴⁾	Project Fund Deposits
2025A	30 years	\$1.0325	+\$0.1023	\$162.01	\$13.50	\$30,000,000
2025B ⁽⁵⁾	30 years	\$1.0325	None	None	None	\$25,000,000
2027 ⁽⁶⁾	30 years	\$1.0325	None	None	None	\$20,000,000
						\$5,000,000 ⁽⁷⁾
Total Bond Election Amount					\$80,000,000	

(1) Assumes certified 2024 assessed valuation from Liberty County CAD.

(2) Does not include penalties or interest. Calculated using a collection factor of 97.00%. Assumes current market rates +0.50% for each bond sale.

(3) Series 2025A projected to be available in February/March 2025. Series 2025B projected to be available in September/October 2025.

(4) 2024 average appraised homestead value of \$263,550 with average homestead exemption of \$101,538 from Liberty County CAD

(5) Assumes 5.5% assessed valuation growth from previous tax year. These are not projections from Live Oak Public Finance.

(6) Assumes 5.5% annual assessed valuation growth for three years, 1.5% the next two years and 0.61% every year after that. These are not projections from Live Oak Public Finance.

(7) Remaining amount may be issued when actual valuation growth, interest rates and District's needs are conducive.

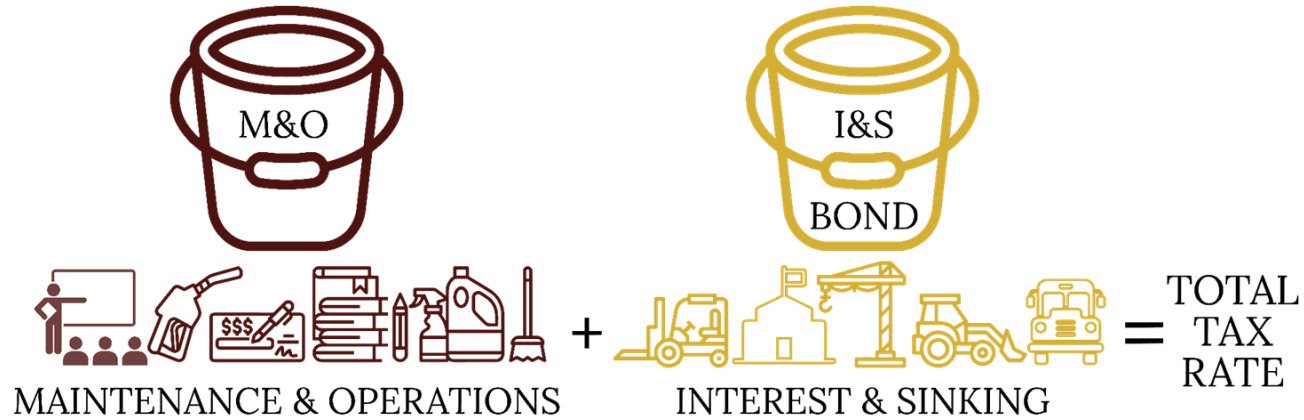
Projected Financial Impact to Homesteads & Qualified Ag Land

Homestead Assessed Value	Homestead Taxable Value	Proposed Tax Rate Increase	Proposed Tax Rate	2025 vs 2024 Annual Tax Diff	2025 vs 2024 Monthly Tax Diff
\$100,000	\$0	\$0.1023	\$1.0325	\$0.00	\$0.00
\$150,000	\$50,000	\$0.1023	\$1.0325	\$51.15	\$4.26
\$200,000	\$100,000	\$0.1023	\$1.0325	\$102.30	\$8.53
\$250,000	\$150,000	\$0.1023	\$1.0325	\$153.45	\$12.79
\$300,000	\$200,000	\$0.1023	\$1.0325	\$204.60	\$17.05
\$350,000	\$250,000	\$0.1023	\$1.0325	\$255.75	\$21.31
\$400,000	\$300,000	\$0.1023	\$1.0325	\$306.90	\$25.58
\$450,000	\$350,000	\$0.1023	\$1.0325	\$358.05	\$29.84
\$500,000	\$400,000	\$0.1023	\$1.0325	\$409.20	\$34.10
\$550,000	\$450,000	\$0.1023	\$1.0325	\$460.35	\$38.36
\$600,000	\$500,000	\$0.1023	\$1.0325	\$511.50	\$42.63
\$650,000	\$550,000	\$0.1023	\$1.0325	\$562.65	\$46.89

Projected 2025 Annual Tax IMPACT (INCREASE)

Acres	Proposed Tax Rate Change	Pine Timber \$270/Acre	Mixed Timber \$170/Acre	Improved Pasture \$140/Acre	Native Pasture \$80/Acre
50	\$0.1023	\$13.81	\$8.70	\$7.16	\$4.09
100	\$0.1023	\$27.62	\$17.39	\$14.32	\$8.18

How School Taxes Work



- The state provides two budgets for school districts: Maintenance & Operations (M&O) for instruction and daily operations and Interest & Sinking (I&S) for capital investments. Each budget has their own tax rate generated by local property taxes which adds up to the district's total tax rate. **School districts have not received an increase in state funding since 2019.**
- **School districts do not receive state funding for renovating or building new schools.** Much like homeowners borrow money in the form of a mortgage to finance the purchase of a home, a school district borrows money in the form of bonds to finance new schools and renovation projects. In order for a school district to sell bonds (borrow money) it must go to the voters for approval. By law, bond funds may not be used to fund daily operating expenses or salaries. **By law, bond funds may not be used to fund daily operating expenses or salaries. Bond funds may only be used for the projects described.**

21
YEARS
SINCE LAST BOND

How do Taxable Values Work?



The District's values are determined by the local appraisal districts, and this drives the tax rate calculation. This then determines your tax bill.

If property values decrease, the tax rate may need to increase



Values



Tax Rate

If property values increase, the tax rate may decrease



Values



Tax Rate

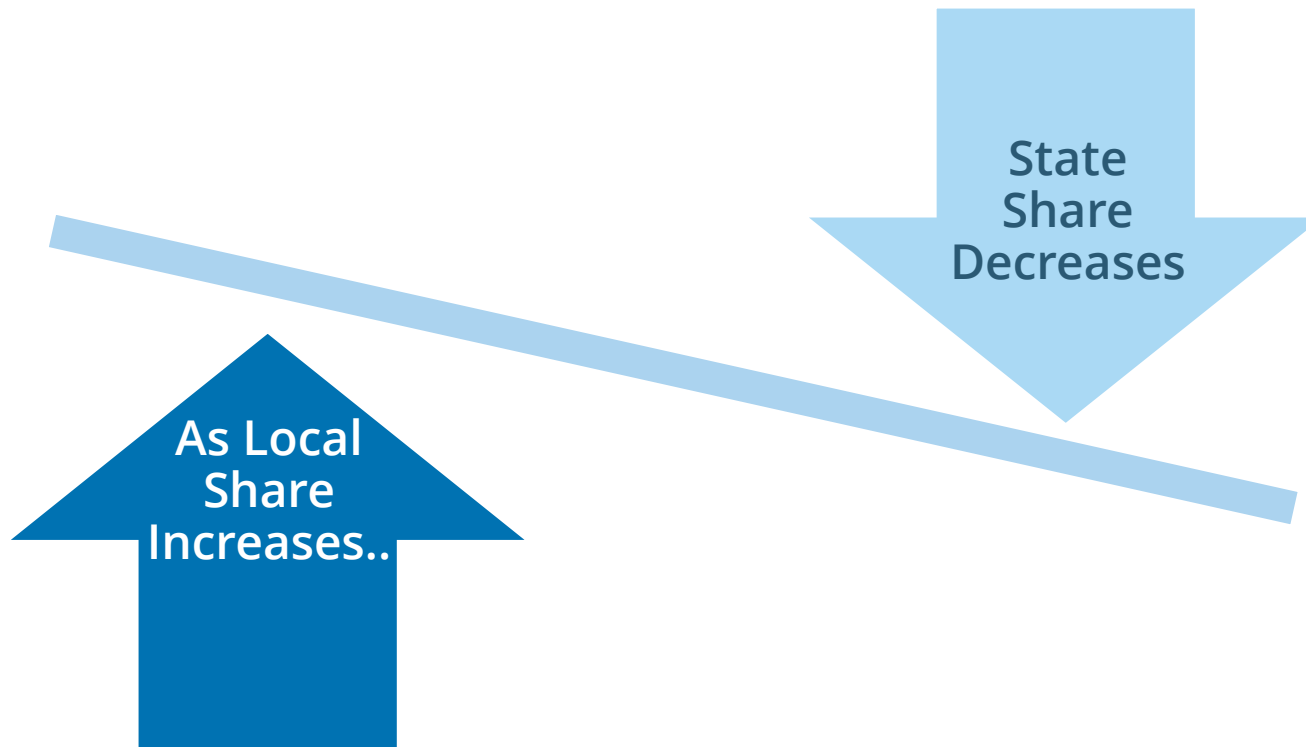
Foundation School Program (FSP)

The FSP establishes how much state funding school districts and charter schools are entitled to receive.

Formulas are set in statute (Chapters 46 and 48), and they consider both student and district characteristics including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates.

Generally, once entitlements are established, the formulas are used to determine how much a district can generate locally (**local share**) through property taxes before making up the difference with state funds (**state share**).

A balancing act: State Share vs. Local Share



Facilities Funding

In Texas, school districts can generally adopt interest & sinking (I&S) tax rates up to **\$0.50** cents to generate revenue used to fund the annual debt service payments associated with bonds that are typically issued for the construction of facilities as well as for other legal, voter-approved purposes.

I&S tax collections are **not** used to pay directly for construction costs.