

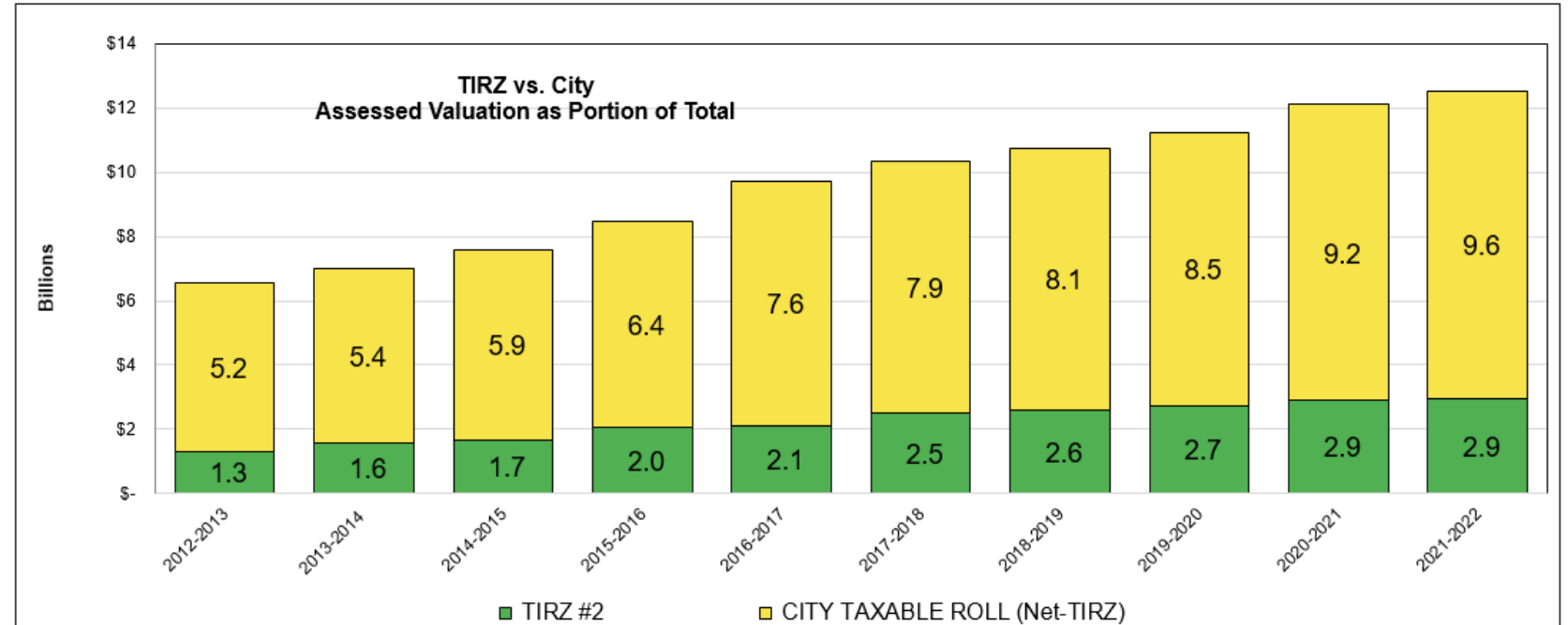


City of Pearland FY22 Proposed Budget “Adapting to Change”



Taxable Value

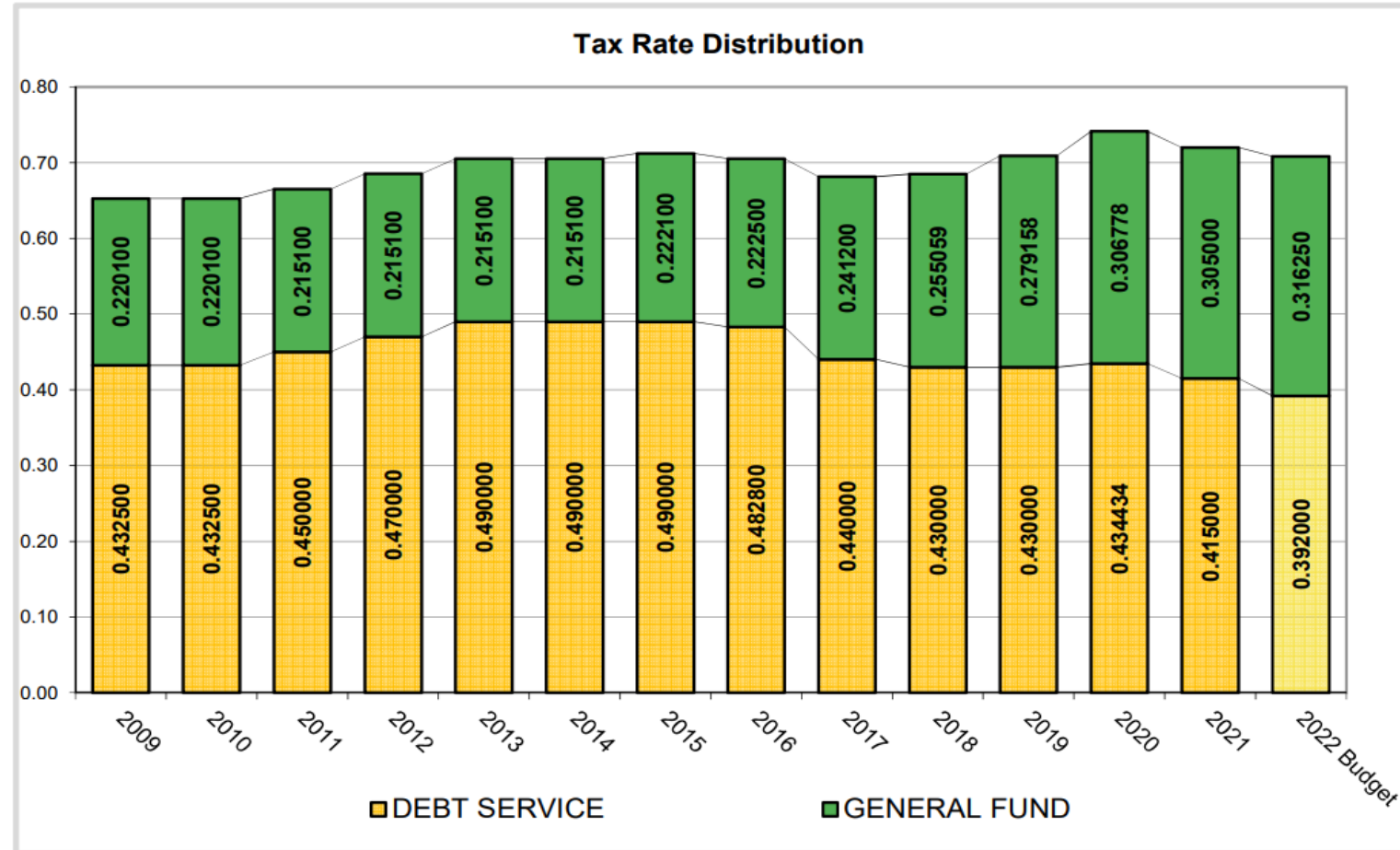
- Revaluations and growth in our high-quality community have increased the *taxable* roll (excluding the Shadow Creek TIRZ) to \$9.6B, an 4.3% increase from the year prior.
- The FY 22 budget is based upon values received from Brazoria County (includes Harris and Fort Bent Counties) on 8/2.
- Thank you to Brazoria County for their assistance as we continue to adapt to SB2's changes to tax laws.





Property Tax Revenue

- A 1.175 cent *decrease* in total rate from FY21.
- This is the second year in a row Pearland has proposed a budget *below* the no-new-revenue rate (a property tax revenue cut according to State's required worksheet).
- \$27M in current collection to the General Fund; \$34M to Debt Service Fund.
- As recently as FY13 and FY 14 the debt rate was 71% of the levy, leaving only 30.5% available for operations. **Debt rate includes the subsidy incentive for in-City MUD rebates** which has grown by \$475,544 since FY21 to a total of \$7.7M.
- FY 22 makes 45% available for operations, which is a 2.7% increase from FY21.





Proposed Property Tax Rate for FY22

$$\begin{array}{ccc} 0.316250 & + & 0.392000 & = & 0.708250 \\ \text{Maintenance \& Operations} & & \text{Debt Rate} & & \text{Total Proposed Property} \\ \text{Rate} & & & & \text{Tax Rate} \end{array}$$

Property Tax Bill – Zero Growth Example



- For Fiscal Year 2022, tax year 2021:
- The total tax bill for any household in Pearland is approximately between 2% to 3% of Appraisal Value
- With a proposed tax rate of 0.70825, the City of Pearland will make up 20% to 30% of the total tax bill. The majority portion goes to public education and other entities.

Taxable Value Summary

	Tax Year 2020		Tax Year 2021		Annual \$ Change
Appraised Value	300,000		300,000		-
Homestead Cap Loss	-		-		-
Taxable Value	\$ 300,000		\$ 300,000		-

Proposed Tax Rate Comparison of Values

Taxing Entity	Tax Year 2020			Tax Year 2021			Annual \$ Change
	Rate	Amount	% of Total Amount	Rate**	Amount	% of Total Amount	
City of Pearland	0.7200	2,124	28.1%	0.7083	\$2,089	28.0%	(35)
Brazoria County Drainage District #4	0.1555	373	4.9%	0.1555	\$373	5.0%	-
Brazoria County	0.4260	1,022	13.5%	0.3974	\$954	12.8%	(68.63)
Road & Bridge Fund (Brazoria County)	0.0600	142	1.9%	0.0600	\$142	1.9%	-
Pearland Independent School District	1.4156	3,893	51.5%	1.4156	\$3,893	52.2%	-
Total	2.7771	7,555		2.7368	\$7,451		\$ (103.29)
% of Appraised Value		2.5%			2.5%		



Property Tax Examples

Looking at estimated individual tax bills, a zero-growth property with a value of \$187,000 would see a \$21 annual (\$1.75 per month) decrease in the City of Pearland portion of their tax bill.

Sample Homestead Property Tax Bills Projected for 2021 Tax Year (for FY 2022 Budget Cycle)

		Zero Growth		Homestead Example 1		Homestead Example 2		Homestead Example 3		Homestead Example 4		Homestead Example 5	
TY20 Actual City Tax Bill		\$ 2,124		\$ 1,755		\$ 1,203		\$ 1,276		\$ 1,548		\$ 1,094	
TY20 Taxable Value		\$ 300,000		\$ 250,000		\$ 172,139		\$ 182,204		\$ 265,000		\$ 156,992	
% Increase (Decrease)		0.0%		9.8%		10.0%		7.6%		7.3%		10.0%	
TY21 Taxable Value		\$ 300,000		\$ 274,550		\$ 189,353		\$ 196,130		\$ 284,380		\$ 172,691	
City Scenario	Proposed TY 2021 City Rate	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual
	0.7083	\$ 2,089	\$ (35)	\$ 1,896	\$ 141	\$ 1,306	\$ 102	\$ 1,354	\$ 78	\$ 1,661	\$ 113	\$ 1,188	\$ 93
Total Tax Bill		\$ 7,451		\$ 7,397		\$ 4,281		\$ 4,448		\$ 8,993		\$ 3,872	
City of Pearland %		28%		26%		30%		30%		18%		31%	



Property Tax Examples

Looking at Homestead Example 8, a home with a value of \$463,000 that sees a 2% decrease in Taxable Value would see a \$64 annual (\$5.33 per month) decrease in the City of Pearland portion of their tax bill and the City rate decrease.

No increase to Senior exemption properties, regardless of rate change – Remains substantially below non-exempt properties

		Homestead Example 6		Homestead Example 7		Homestead Example 8		Senior Example HS 9		Homestead Example 10		Senior Example	
TY20 Actual City Tax Bill		\$ 1,565		\$ 2,230		\$ 3,205		\$ 1,556		\$ 2,394		\$ 206	
TY20 Taxable Value		\$ 222,910		\$ 317,595		\$ 472,490		\$ 293,000		\$ 341,070		\$ 180,260	
% Increase (Decrease)		4.5%		1.9%		-2.0%		-0.2%		1.3%		-2.1%	
TY21 Taxable Value		\$ 232,990		\$ 323,525		\$ 463,000		\$ 292,400		\$ 345,580		\$ 176,500	
City Scenario	Proposed TY 2021 City Rate	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual	TY 2021 Amount	Change from Prior Year Actual
	0.7083	\$ 1,609	\$ 44	\$ 2,234	\$ 5	\$ 3,141	\$ (64)	\$ 1,556	\$ -	\$ 2,386	\$ (8)	\$ 206	\$ -
Total Tax Bill		\$ 5,346		\$ 10,697		\$ 13,449		\$ 5,916		\$ 8,090		\$ 878	
City of Pearland %		30%		21%		23%		26%		29%		23%	



FY22 Property Tax Rate (City portion)

- Questions on tax rate?
- Next Step: Vote on proposed tax rate (first reading)