

# A Special Election For North Richland Hills



## Vote *Yes* or *No* to Freeze Property Taxes of Senior and Disabled Homeowners.

*You decide what's in the best interest of our community.*

### **Election Day**

Saturday  
September 11, 2004

### **Early Voting**

Wednesday, August 25, through  
Tuesday, September 7, 2004

### **On the Ballot**

Shall the total amount of taxes paid to the City on the homesteads of persons sixty-five (65) years of age or older or who are disabled never be increased as provided by Article 8, Section 1-b (h) of the Texas Constitution? Yes or No.

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*Information follows to help you make an informed decision.*

### **Special Election Background**

#### **What is the senior/disabled property tax "freeze"?**

It is a limitation or freeze of the property taxes paid on the value of homesteads of the disabled and residents age 65 or older (seniors). The tax freeze ensures that a senior or disabled homeowner will not have a municipal tax bill that is more than what is paid in the first year of the tax freeze.

of the tax freeze plus the amount of taxes due on the new, separately valued improvements. The sum of the two amounts would then become the new total, frozen at that level for subsequent years.

#### **Where did this proposal come from?**

As part of a statewide election in September 2003, voters approved an amendment to the Texas Constitution. This amendment allows cities the local option to implement the senior/disabled tax freeze with or without a special election. Rather than make an arbitrary decision, the City Council of North Richland Hills (NRH) has chosen to let the voters decide.

#### **Are there any exceptions to the tax freeze?**

Yes, there is one exception: the property tax may go up if improvements are made to a residence that has qualified for the tax freeze. In that event, the homeowner would pay the taxes due under the terms

## Special Election Background

### If approved, is the freeze permanent?

Yes. If NRH approves this tax freeze, it cannot be revoked without another amendment to the Texas Constitution.

### If not approved at this time, is the freeze forever banned in NRH, or could it be adopted later?

If not approved at this time, the option to adopt the freeze remains open. It can be implemented at any time by the City Council or it may be adopted by popular election if 5% of registered voters sign a petition requesting another election.

## The Current Situation

### Does NRH currently offer any property tax relief to senior and/or disabled homeowners?

Yes, the City offers a \$36,000 exemption on the homestead of persons 65 years of age or older and the disabled. This is in addition to the 15% homestead exemption offered to all homeowners. On average, senior and disabled homeowners currently pay taxes on 52% of their property value, which averages \$108,602 (see chart below).

### How do current exemptions offered by NRH affect property taxes paid by homeowners age 65 or older or disabled compared to homeowners under the age of 65 and not disabled?

The following table offers a comparison based on values provided by the Tarrant Appraisal District in May 2004.

2003 Average NRH Property Tax Bill for Homeowner Age 65 and Over or Disabled		2003 Average NRH Property Tax Bill for Homeowner Under Age 65 and Not Disabled	
Average Value of Senior/Disabled Homestead	\$108,602	Value of Comparable Homestead	\$108,602
Less: Residential Homestead Exemption (15%)	(16,290)	Less: Residential Homestead Exemption (15%)	(16,290)
Less: Senior/Disabled Exemption	(36,000)	No Senior/Disabled Exemption	-0-
Taxable Value	\$56,312	Taxable Value	\$92,312
Divided by \$100 and Multiplied by Current Tax Rate (\$0.57)	\$321	Divided by \$100 and Multiplied by Current Tax Rate (\$0.57)	\$526

### How many households in NRH currently qualify for the senior/disabled exemption?

Out of approximately 16,056 single-family homes in NRH, 3,013 homes are owned by seniors and disabled residents: 2,765 by seniors; 248 by disabled residents. (Source: May 2004 tax roll)

# Projected Impact of the Senior/Disabled Property Tax Freeze on the City

**What is the estimated loss in revenue of implementing the senior/disabled property tax freeze?**

The current \$36,000 exemption on senior/disabled homesteads results in an estimated loss in revenue of \$605,000 each year totaling

\$3,820,000 over the next six years. If the tax freeze is approved, the estimated total loss in revenue over the same period is \$4,715,000 assuming the current exemption remains. This would mean an additional decrease in revenue of \$895,000 over the next six years.

<b>Estimated Annual Revenue Loss to NRH Including Current Exemption if Senior/Disabled Tax Freeze is Adopted</b>					
2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
\$605,000	\$620,000	\$725,000	\$815,000	\$920,000	\$1,030,000

**Why does the loss of revenue to the City continue to increase into the future if there is a freeze?**

The loss of revenue will increase because the population of people age 65 and older will increase as the Baby Boom Generation reaches retirement age in the next 5 to 10 years according to the U. S. Census Bureau, the Texas Data Center, and the North Central Texas Council of Governments.

**Will City services be affected if the tax freeze is approved?**

This is difficult to predict with absolute certainty. Currently, property taxes pay for police and fire services, street maintenance, library services, animal services, consumer health, and most other City operations that provide services to citizens as well as capital improvements.

## Projected Impact on Senior/Disabled Homeowners of NOT Adopting the Tax Freeze

Assuming the current \$36,000 senior/disabled exemption remains, the current City property tax rate continues (\$0.57), and the values continue to increase at the same level as they have over the past few years, senior and disabled homeowners could see a slight increase in their property tax bill. City property taxes on the average senior/

disabled homestead valued at \$108,602 are \$320 when you apply the current City property tax rate and exemptions. If all things remain the same, City property taxes on this same home could be \$460 per year in six years as shown in the table below. This amounts to an increase of \$140 over the same period, or \$12 per month.

<b>Estimated Annual City Property Taxes on Senior/Disabled Homestead Valued at \$108,602 if Tax Freeze is Not Adopted (Status quo)</b>					
2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
\$320	\$340	\$370	\$400	\$430	\$460

**Can senior or disabled residents lose their home if they can't pay their property taxes?**

No, a provision in the state law allows seniors and disabled residents who cannot afford to pay property taxes on their home to defer payment of the taxes.

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## Vote *Yes* or *No* to Freeze Property Taxes of Senior and Disabled Homeowners.

### When and Where to Vote

#### Early Voting in Person

Wednesday, August 25, through  
Tuesday, September 7, 2004  
8:00 a.m. to 5:00 p.m.

Monday through Friday except Labor Day  
(Monday, September 6)

City Hall, City Council Chambers,  
7301 Northeast Loop 820

#### Voting by Mail

In addition to early voting or voting  
on Election Day, citizens may vote  
by mail if they are:

- 65 years of age or older
- Disabled
- Confined in jail
- Expecting to be absent from the county.

For more information about early voting  
by mail, please contact the City Secretary's  
office at 817.427.6060.

### Election Day - Saturday, September 11, 2004

Polling Hours: 7:00 a.m. to 7:00 p.m.

#### Polling Locations:

##### **Precinct 1 – City Hall, 7301 NE Loop 820**

Includes County voting precincts 3214, 3324, 3333, 3041, 3364, 3366 & 3416

##### **Precinct 2 – Dan Echols Senior Center, 6801 Glenview Dr.**

Includes County voting precincts 3032, 3140, 3215, 3289, 3325, 3326, 3399, 3424, 3631, 3633, 3634, 4620 & 4629

##### **Precinct 3 – Bursey Road Senior Center, 7301 Bursey Rd.**

Includes County voting precincts 3063, 3049, 3177, 3209, 3365, 3367, 3387, 3507, 3527, 3543, 3580 & 3584

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For more information, please contact the City Secretary's office at 817.427.6060,  
or visit NRH's website: [www.nrhtx.com](http://www.nrhtx.com).