

MEMORANDUM

DATE: July 1, 2021

TO: Mayor Jayne Lankford & City Council

VIA: Mercy Rushing, City Manager

FROM: Cindy Karch, City Secretary *CK*

SUBJECT: Freeze property tax for residents over 65 and disabled (Effective 1/1/2022)
Repeal \$6,000 Exemption for residents over 65 and disabled (Effective 1/1/2023)

Background Information:

Currently the City of Mineola only offers a \$6,000 exemption for those over 65 and disabled. However, there is no freeze for these tax payers. Here is a breakdown of what other taxing entries in Wood County are doing:

Taxing Entity	Local Amount	Freeze Ceilings
City of Mineola	\$6,000	No
City of Alba	0	No
City of Hawkins	0	No
City of Quitman	0	Yes
City of Winnsboro	\$10,000	Yes
City of Yantis	\$10,000	No
Wood County	\$20,000	Yes
Mineola ISD	0	Yes

Recommendation:

Adopt an ordinance to allow citizens over 65 and disabled to freeze their property tax amount effective the 2022 tax year. Then, adopt an ordinance removing the \$6,000 exemption amount effective 2023. By adopting it effective next year, this will allow all of those with the \$6,000 exemption to freeze their taxes at that 2022 rate including the \$6,000. Then in 2023, anyone who turns 65 or disabled and applies for a new exemption will be able to freeze their taxes at the 2023 rate. **This method will not cost the city any lost revenue and will not raise any taxes for those currently holding the exemption.**

Currently there are 488 properties that have the over 65/Disabled exemption. Exemptions and freezes are only allowed on their homestead, not any other property they may own.

Final Disposition:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF MINEOLA, TEXAS ESTABLISHING A TAX LIMITATION REGARDING AD VALOREM TAXES ON THE RESIDENTIAL HOMESTEADS OF PERSONS SIXTY-FIVE YEARS OF AGE OR OLDER OR DISABLED PERSONS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article VIII, Section 1-b(h) of the Texas Constitution permits a city to provide for the limitation of property taxes (also known as a freeze) for property owners who are over sixty-five (65) years of age or who are disabled; and

WHEREAS, Section 11.261 of the Texas Property Tax Code provides for the regulation of such limitations; and

WHEREAS, the City Council for the City of Mineola, Texas finds that such a tax limitation on property owners who are sixty-five (65) years of age or older or who are disabled is necessary to protect and preserve the general well-being of such individuals the subject of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF MINEOLA, TEXAS AS FOLLOWS:

I.

Tax Limitation

A. Pursuant to Article VIII, Section 1-b(h) of the Texas Constitution and under the regulations established by Section 11.261 of the Texas Property Tax Code, a tax limitation (freeze) of the ad valorem taxes on residential homesteads of persons who are sixty-five (65) years of age or older or who are disabled is enacted beginning with Tax Year 2022.

B. The City Secretary has the authority to implement, establish and enforce such procedures as may be necessary to provide for such tax limitation.

II.

Severability

Should any clause, section, phrase or provision of this Ordinance be declared illegal, unconstitutional or unenforceable by any court of competent jurisdiction, any such finding shall not affect the remaining sections of this Ordinance.

III.
Effective Date

This Ordinance shall become effective on January 1, 2022.

PASSED AND APPROVED by the City Council for the City of Mineola, Texas, this
_____ day of _____, 2021.

APPROVED BY:

JAYNE LANKFORD, Mayor

ATTEST:

CINDY KARCH, City Secretary