



**SERVICE
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Annual Review of Property Tax Exemptions for Over-65/Disabled Homeowners

Committee on Finance

May 26, 2026

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Overview



- **Property Tax Overview**
- **Discuss current property tax exemptions**
- **Consider options to change age-65/over or disabled exemption**
- **Review next steps**

Property Tax Overview

- Ad valorem (property) taxes are single largest revenue source for City at \$1.55B
 - General Fund: \$1.13B or 73% of revenue
 - Debt Service: \$424.6M or 27% of revenue
- Ad valorem taxes are based on:
 - Property values determined by appraisal districts
 - Exemptions allowed by State and set by City Council
 - Tax rate set by City Council

Property Tax Overview

- Current tax rate is 69.88¢ per \$100 valuation
- City Council has lowered the adopted tax rate for the last 10 years, a total reduction of 9.82¢ or 12.3%

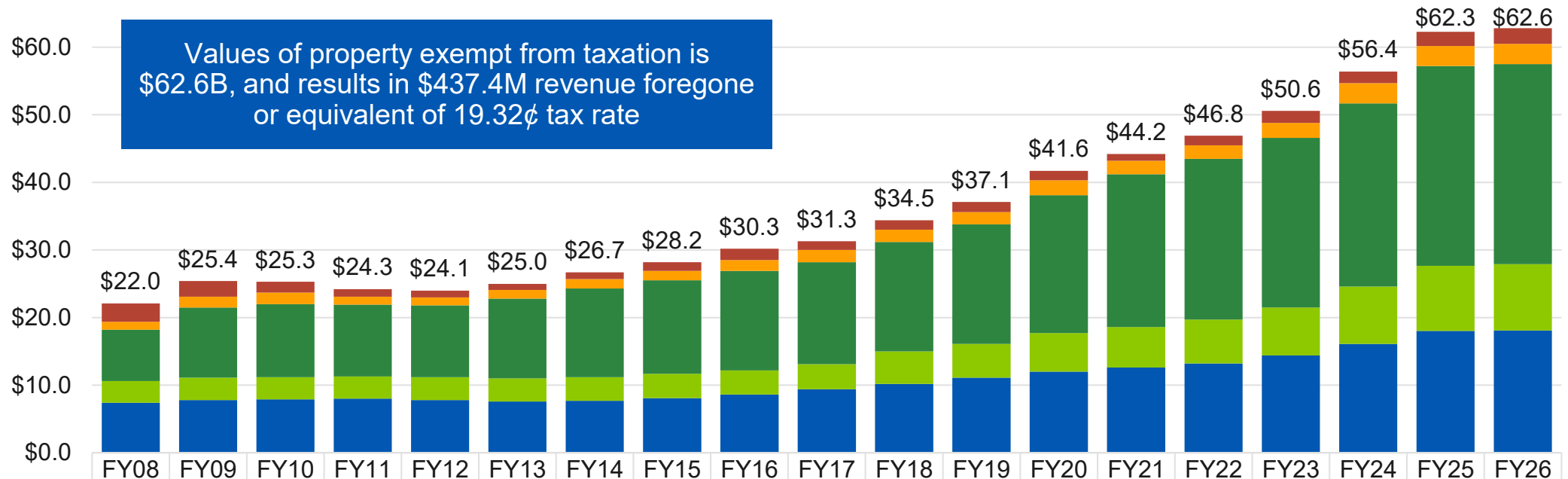
Fiscal Year	General Fund	Debt Service	Total	Reduction	Forgone Revenue in Year of Reduction*
FY16	56.46¢ (70.8%)	23.24¢ (29.2%)	79.70¢		
FY17	56.01¢ (71.6%)	22.24¢ (28.4%)	78.25¢	-1.45¢	\$15.6M
FY18	55.80¢ (71.5%)	22.24¢ (28.5%)	78.04¢	-0.21¢	\$2.4M
FY19	56.67¢ (73.0%)	21.00¢ (27.0%)	77.67¢	-0.37¢	\$4.7M
FY20	56.91¢ (73.3%)	20.75¢ (26.7%)	77.66¢	-0.01¢	\$0.1M
FY21	56.88¢ (73.3%)	20.75¢ (26.7%)	77.63¢	-0.03¢	\$0.4M
FY22	56.58¢ (73.2%)	20.75¢ (26.8%)	77.33¢	-0.30¢	\$4.6M
FY23	54.03¢ (72.4%)	20.55¢ (27.6%)	74.58¢	-2.75¢	\$48.5M
FY24	53.17¢ (72.3%)	20.40¢ (27.7%)	73.57¢	-1.01¢	\$19.7M
FY25	51.09¢ (72.5%)	19.38¢ (27.5%)	70.47¢	-3.10¢	\$65.6M
FY26	50.75¢ (72.6%)	19.13¢ (27.4%)	69.88¢	-0.59¢	\$13.4M
			Total	-9.82¢	

*Based on collection rate at the time of reduction

Property Tax Overview

- Certified property values in Dallas total \$226.5B for FY 2025-26 and are categorized by property use/purpose
 - 47% - Residential (single-family homes and home-site land)
 - 53% - Non-residential (commercial and business personal property)
- Taxable property values represent market value (determined by appraisal districts) net of exemptions
- \$62.6B value is exempt from taxation in FY 2025-26 resulting in \$437.4M revenue forgone
- Current exemptions authorized by City Council include:
 - 20% homestead exemption (maximum allowed by state law)
 - \$175,000 age-65/over or disabled exemption
 - 100% exemption for qualifying child-care facilities (beginning with the 2024 tax year)

Historical Value of Exemptions (\$ in billions)



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Total	\$22.0	\$25.4	\$25.3	\$24.3	\$24.1	\$25.0	\$26.7	\$28.2	\$30.3	\$31.3	\$34.5	\$37.1	\$41.6	\$44.2	\$46.8	\$50.6	\$56.4	\$62.3	\$62.6
Other	\$2.7	\$2.3	\$1.6	\$1.1	\$1.0	\$0.9	\$1.0	\$1.3	\$1.7	\$1.3	\$1.4	\$1.5	\$1.4	\$1.0	\$1.4	\$1.8	\$1.7	\$2.1	\$2.3
Freeport	\$1.2	\$1.6	\$1.7	\$1.2	\$1.2	\$1.3	\$1.4	\$1.4	\$1.6	\$1.8	\$1.8	\$1.8	\$2.2	\$2.0	\$2.0	\$2.2	\$3.0	\$3.0	\$3.0
Totally Exempt	\$7.6	\$10.4	\$10.8	\$10.6	\$10.6	\$11.8	\$13.1	\$13.8	\$14.7	\$15.1	\$16.2	\$17.7	\$20.4	\$22.6	\$23.8	\$25.1	\$27.1	\$29.6	\$29.6
Over-65/Disabled	\$3.2	\$3.3	\$3.3	\$3.3	\$3.4	\$3.4	\$3.5	\$3.6	\$3.6	\$3.7	\$4.8	\$5.0	\$5.7	\$6.0	\$6.5	\$7.1	\$8.5	\$9.6	\$9.8
Homestead	\$7.4	\$7.8	\$7.9	\$8.0	\$7.8	\$7.6	\$7.7	\$8.1	\$8.6	\$9.4	\$10.2	\$11.1	\$12.0	\$12.6	\$13.2	\$14.4	\$16.1	\$18.0	\$18.1

Tax Exemptions - Homestead

- City Council authorized 20% homestead exemption for owner-occupied residential property, the maximum allowed by state law (4/13/88)
- Offers across-the-board tax relief for all homeowners
- Removes part of home's value from taxation
- Homestead exemptions account for \$18.1B value being exempt from taxes and \$126.2M revenue forgone (which equals 5.57¢ tax rate)

Tax Exemptions – Child-Care Facilities

- City Council authorized 100% exemption for qualified child-care facilities on 2/14/24 (new exemption authorized by the State and approved by Texas voters in November 2023)
- Exemption only applies to the value of the property used for child-care facility
- Child-care facility exemptions account for an estimated \$5.3M value being exempt from taxes and \$37K revenue forgone (which equals less than a 0.01¢ tax rate)

Tax Exemptions – Age-65/over or Disabled

- City Council authorized owner-occupied residential property exemptions for homeowners age-65/over or disabled
 - Established at \$50,000 (4/23/86)
 - Increased to \$64,000 (9/17/86)
 - Increased to \$90,000 (6/28/17)
 - Increased to \$100,000 (6/12/19)
 - Increased to \$107,000 (6/9/21)
 - Increased to \$115,500 (6/8/22)
 - Increased to \$139,400 (6/14/23)
 - Increased to \$153,400 (6/26/24)
 - Increased to \$175,000 (6/11/25)
- Offers additional tax relief for homeowners who are age-65/over or disabled
- Set dollar amount that reduces home's taxable value and homeowner's tax bill

Tax Exemptions – Age-65/over or Disabled

- Eligible homeowners pay no City taxes if market value is \$218,750 or less
 - 20% homestead + \$175,000 age-65/over or disabled exemptions
- Age-65/over or disabled exemptions account for \$9.8B value being exempt from taxes and \$68.2M revenue forgone (which equals 3.01¢ tax rate)

Tax Year & Fiscal Year	Approved Exemption	Number of Parcels	Value of Exemption (in Billions)	Revenue Forgone (In Millions)	Median Single Family Home (SFH) Market Value
2023 (FY24)	\$139,400	72,571	\$7.1B	\$62.7M	\$334,710
2024 (FY25)	\$153,400	74,334	\$9.6B	\$67.9M	\$381,545
2025 (FY26)	\$175,000	74,447	\$9.8B	\$68.2M	\$384,290*

*BMS updated published 2025 Median Value from \$382,010 to \$384,290 based on a technical correction to individual certified account values

Tax Exemptions – Age-65/over or Disabled

\$64,000
(since 9/17/86)

\$64,000 to
\$90,000 (6/28/17)

\$90,000 to
\$100,000 (6/12/19)

\$100,000 to \$107,000
(6/9/21)

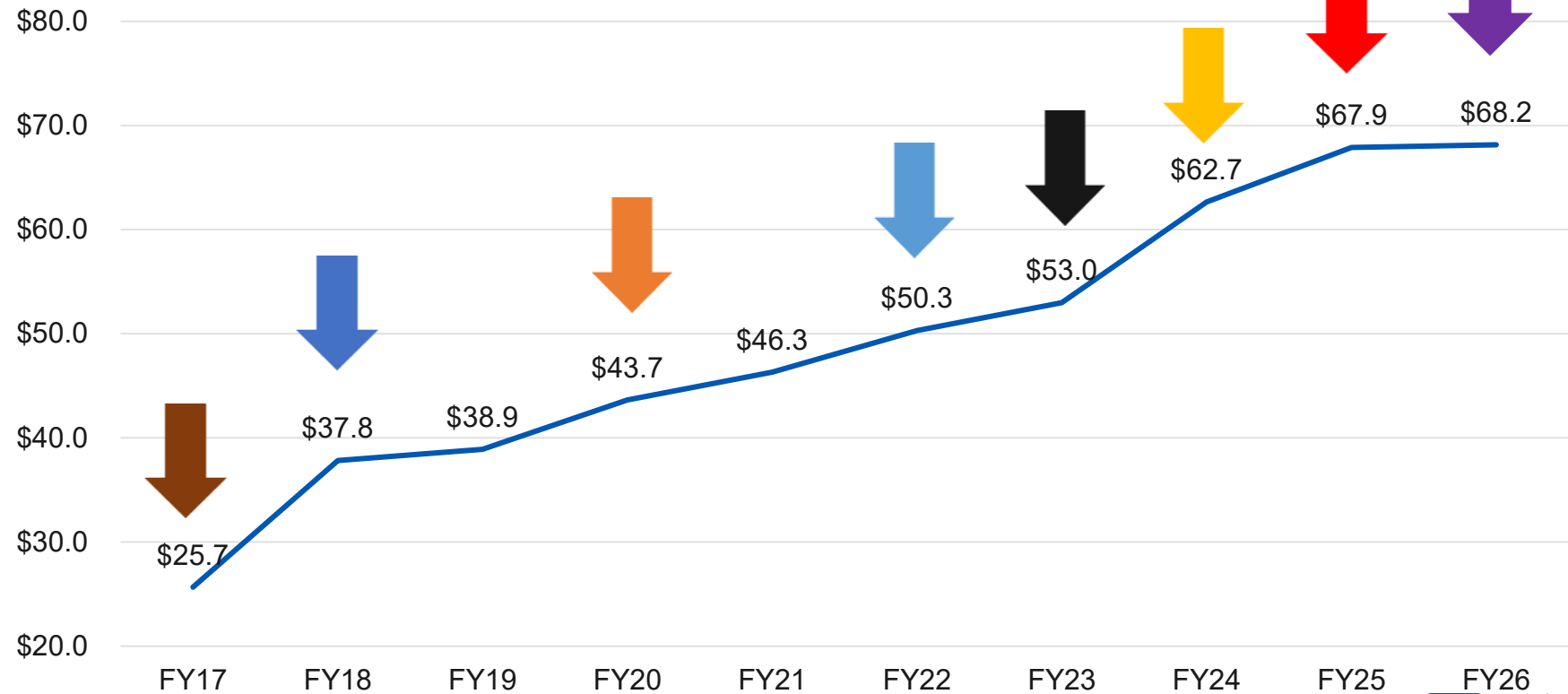
\$107,000 to \$115,500
(6/8/22)

\$115,500 to \$139,400
(6/14/23)

\$139,400 to
\$153,400 (6/12/24)

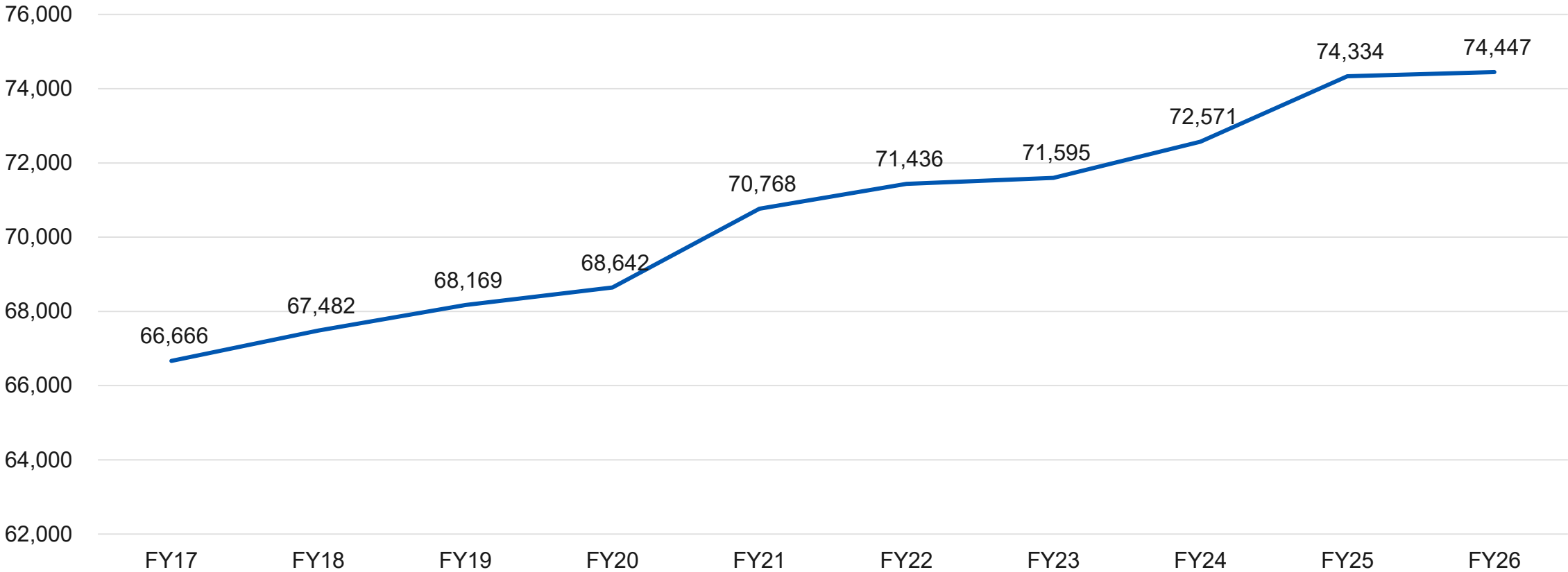
\$153,400 to \$175,000
(6/11/2025)

Revenue Foregone
(in Million Dollars)



Number of Parcels – Age-65/over or Disabled

Parcels Claiming Over-65/Disabled Exemption



Financial Management Performance Criteria #23

- Required to annually compare current exemption for individuals age-65/over or disabled to whichever is greater of the following:
 - Most recent annual Consumer Price Index – Elderly (CPI-E)
 - Year-over-year change in median residential market value*
- Required to provide analysis to City Council prior to June 30 for “possible modification”
- Must provide changes to property tax exemptions to appraisal districts no later than June 30

*FMPC was last updated on March 26, 2025.

Financial Management Performance Criteria #23

- Most recent annual Consumer Price Index – Elderly (CPI-E)
 - **3.78% increase** (April 2025 to April 2026)
- Year-over-year change in median residential market value
 - **0.72% increase** (\$381,545 to \$384,290 Market Price)

Financial Management Performance Criteria #23

Over-65/Disabled Exemption Analysis

	Current Exemption \$175,000	Scenario A** (CPI-E April 2025 to April 2026) \$181,600	Scenario B* (Annual Growth in Med Value Tax Year 2024 to 2025) \$176,300
Percent Change in Exemption	N/A	3.78%	0.72%
Change in Exemption		\$6,600	\$1,300
# of 65/over or Disabled Accounts	74,447	74,447	74,447
Value of exemption	\$13.0B	+\$491.4M	+\$96.8M
Total revenue foregone	\$91.0M	+\$3.4M	+\$0.7M
City tax bill*	\$925.43	\$879.31	\$916.35
Change in City tax bill		(\$46.12)	(\$9.08)

*Assumes median value of \$384,290 and 20% homestead exemption plus age-65/over or disabled exemption

**Eligible homeowners pay no City taxes if market value is \$227,000 or less

Other Tax Relief Options

- Other protections and options for age-65/over or disabled home-owners
 - Quarterly payments without penalty and interest
 - Taxpayer with fixed income may request to pay property taxes in four equal payments
 - Must submit initial payment and request by January 31
 - File tax “deferral” if unable to pay
 - Deferral allowed on residence homestead until taxpayer no longer owns or occupies the home
 - Protects property from being sold for back taxes during ownership
 - Property taxes continue to accrue during deferral period and interest will be assessed at the rate of 5% per year
 - Once deferral ends, all accrued taxes, penalty, and interest are due within 180 days

Next Steps

- Receive feedback and recommendation from Committee on Finance regarding possible modification to age 65 and older or disabled exemption
- City Council consider change to exemption at agenda meeting on 6/10/26
- Submit changes to appraisal districts no later than 6/30/26 to implement with tax year 2026 (FY 2026-27)



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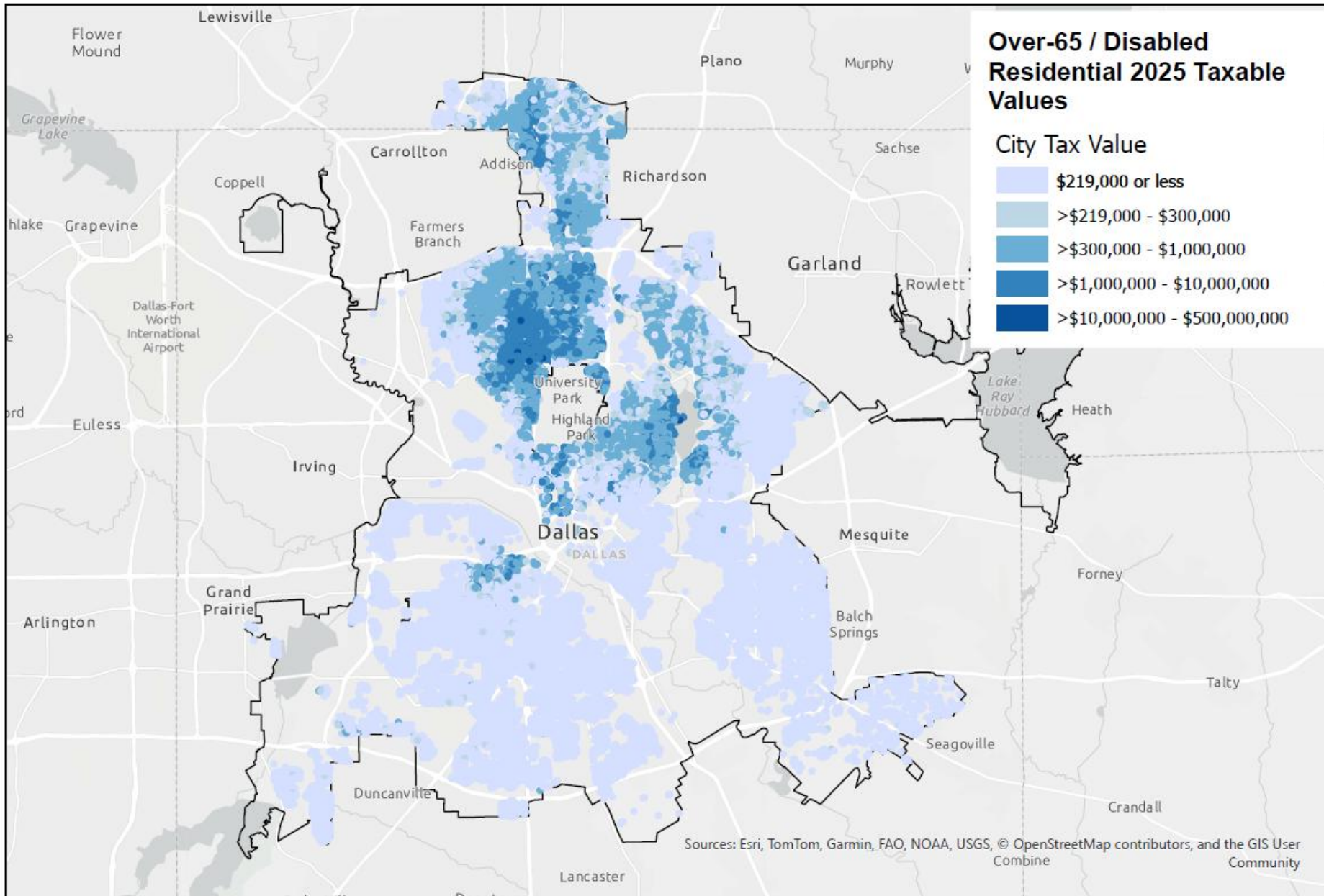
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Appendix



Over-65/Disabled Residential Total Taxable Value 2025
City of Dallas, Texas Certified Tax Appraisal

DISCLAIMER
 This data is to be used for graphical representation only. The accuracy is not to be taken/used as data produced by a Registered Professional Land Surveyor (RPLS) for the State of Texas. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



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