

March 1, 2024

Updated Property Tax Information

New and updated property tax information has been compiled by Matagorda County Appraisal District and is available now to assist taxpayers. This press release highlights some of the changes relating to taxable property and exemptions that were passed during the 88th Texas Legislature held in 2023.

Regarding property valuations:

One of the bigger changes brought on by last year's Legislative updates is the circuit breaker provision, which limits the amount that appraisal districts can increase property value. Beginning in 2024, real property valued at \$5 million or less will benefit from a 20% limitation on the net appraised value of the property used to calculate property taxes, with the exclusion of land receiving the agriculture-use special appraisal and homestead properties that already receive the 10% limited appraised value cap. This means the appraised value of qualifying real property is limited to an increase of no more than 20% per year unless new improvements, excluding ordinary maintenance, have been made.

This limitation takes effect on January 1st of the tax year following the first tax year in which the owner owns the property. If you owned your property as of January 1, 2023, you will receive this appraised value limitation in 2024. You must own the property for at least one full calendar year (January through December) before you are eligible for a 20% limitation. Your property will now carry two values:

1. the circuit breaker cap value which is the value that your taxes will be based on, and
2. the market value which is the true value of the property.

Each property that qualifies will receive a Notice of Appraised Value that specifies the market value of the property as of January 1st as well as a net appraised value that will be the lesser amount of last year's net appraised value plus 20%, or this year's market value.

The circuit breaker limitation will expire on January 1st of the first tax year that the owner no longer owns the property. Should you sell your property, the limitation on its appraised value will be removed, and the tax base will increase to the property's current market value until the new owner is eligible for the same benefit.

The circuit breaker currently applies to the 2024, 2025, and 2026 tax years and expires on December 31, 2026. The appraised value that the circuit breaker applies to is set at \$5 million or less for 2024; however, the State Comptroller can increase or decrease the appraised value limit for 2025 and 2026 based on the consumer price index.

You are not required to submit an application to receive a circuit breaker limitation. The appraisal district will automatically apply and calculate these benefits every year that it is in effect.

Regarding exemptions:

The Texas Property Tax Code provides for many exemptions to taxpayers. Some of the most common exemptions include:

- General Residential Homestead Exemption
- Disabled Person Exemption
- Age 65 or Older Exemption
- Surviving Spouse of an Individual Who Qualified for the Age 65 or Older Exemption
- 100% Disabled Veteran's Exemption
- Surviving Spouse of a Disabled Veteran Who Received the 100% Disabled Veteran's Exemption
- Religious & Charitable Organization Exemptions
- Freeport Exemption

The most notable of the exemptions available to taxpayers is the residence homestead exemption. A residence homestead is generally defined as the home and land used as the owner's principal residence on January 1st of the tax year. A person who acquires property after January 1st may receive the residence homestead exemption for the applicable portion of that tax year immediately on qualification for the exemption if the preceding owner did not receive the same exemption for that tax year. A taxpayer may only carry a residence homestead exemption on a single property at a time.

The newly passed Legislation increased this exemption amount from \$40,000 to \$100,000. Any taxing unit, including a city, county, school district or special district, has the option of deciding locally to offer a residence homestead exemption of up to 20% of a property's appraised value but not less than \$5,000. For a school district who elects to offer this local option exemption, it is in addition to the mandatory \$100,000 exemption.

While some exemptions are automatically granted, a residence homestead exemption does require the owner to submit an application to the appraisal district. An initial application is required to establish your residence homestead exemption and, in most cases, you will only need to apply that one, initial time. However, a new application may be requested by the Chief Appraiser at any time for any reason and failure to comply with this request may result in the loss of your homestead exemption. Chief Appraiser Maloney encourages all homestead property owners to act quickly when applying for a new homestead exemption or responding to his request for a new application on an existing exemption. Exemption applications can be picked up from our office during normal business hours (M-F; 8am-5pm). Alternatively, some are available for download from our website (<https://matagorda-cad.org/>), and the Texas Comptroller's website also has all exemption applications available for download at <https://comptroller.texas.gov/taxes/property-tax/forms>. We accept exemption applications via regular mail or in-person drop off at our office.

Tax Code also provides for temporary relief of a portion of a property's appraised value on qualified property that has sustained at least 15% physical damage by a disaster in a governor-declared disaster area. Qualified property includes tangible personal property used for income production, improvements to real property, and certain manufactured homes. A property owner must apply for the temporary exemption no later than 105 days after the governor declares a disaster area.

On receipt of an application for temporary disaster relief exemption, the Chief Appraiser shall assign to each item of qualified property a damage assessment rating of Level I, II, III, or IV as follows:

- I. Property is at least 15% but less than 30 percent damaged – amount of exemption is 15%.
- II. Property is at least 30% but less than 60% damaged – amount of exemption is 30%.
- III. Property is at least 60% damaged but is not a total loss – amount of exemption is 60%.
- IV. Property is a total loss, meaning that repair of the property is not feasible – amount of exemption is 100%.

The application must contain supporting documents that clearly identify the damage is related to the specific disaster, what the damage is, and other pertinent information (i.e. FEMA reports, insurance claims and adjuster reports, along with estimates). The damage may not be pre-existing damage or other pending repairs and/or remodeling.

Whether you are a homeowner or a business owner, it's important you know your rights concerning the property tax laws. You can contact us about any property tax issues with full confidence that we will provide the most complete, accurate and up-to-date information available to assist you. Should you have any questions or concerns, please do not hesitate to call the Matagorda County Appraisal District at 979-244-2031 or email mcad@co.matagorda.tx.us. Our staff will be happy to assist you with any questions you may have.

Vince Maloney, Chief Appraiser