

# Memorandum



CITY OF DALLAS

DATE May 30, 2008

TO Honorable Mayor and Members of the City Council

SUBJECT Preliminary Tax Roll

On Wednesday, June 4<sup>th</sup> you will be briefed on the Preliminary Tax Roll. The briefing materials are attached for your review.

Please let me know if you have questions or need additional information.

A handwritten signature in black ink, appearing to read 'D. Cook'.

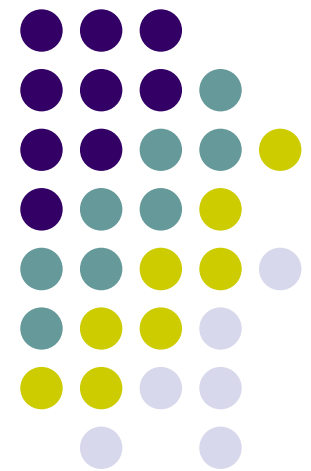
David Cook  
Chief Financial Officer

## Attachments

c: Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Ramón F. Míguez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
David Brown, Interim Assistant City Manager  
Deborah Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Jeanne Chipperfield, Interim Director, Budget Services

# Preliminary Tax Roll

City Council Briefing  
June 4, 2008



# Purpose



## Review:

- Appraisal process
- Appraisal districts
- Preliminary values
- Public disclosure of property sales prices



# Appraisal Process

- **January 1<sup>st</sup>**
  - Beginning of property appraisal process
  - Property owner as of January 1<sup>st</sup> is responsible for payment of property taxes
- **January – April**

Appraisal districts:

  - Process tax exemption applications, agricultural appraisals, other tax relief and property renditions
  - Make value determinations for taxable properties within its boundaries
- **Early May**
  - Appraisal Districts notify property owners of taxable value
- **June 2<sup>nd</sup> (Dallas and Collin CADs)**
  - Deadline for property owners to protest property values is 30 days after notice of appraised value is mailed by district



# Appraisal Process (cont'd)

- **May – July**
  - Appraisal Review Boards (ARB) hear protests from property owners
  - Appraisal districts provide updates to taxing jurisdictions on preliminary values based on results of ARB hearings
  - Staff uses updates to forecast certified values and property tax revenue for upcoming budget fiscal year
- **No later than July 25<sup>th</sup>**
  - Certified tax rolls provided by appraisal districts
- **September**
  - Jurisdiction adopts property tax rate
- **October 1<sup>st</sup>**
  - Tax bills sent to taxpayers
  - Taxpayers have until January 31<sup>st</sup> to pay taxes
  - Penalties and interest begins accruing on February 1<sup>st</sup> on unpaid taxes
  - Additional penalty for legal costs imposed on July 1<sup>st</sup> on unpaid taxes



# Appraisal Districts

- Prior to 2008, Dallas Central Appraisal District provided appraisals for all property located in the City of Dallas regardless of county
- 2007 Texas Legislature changed the boundaries of the appraisal districts to coincide with the county's boundary
- Beginning in 2008, City of Dallas will receive appraisals from the four county appraisal districts in which the City is located

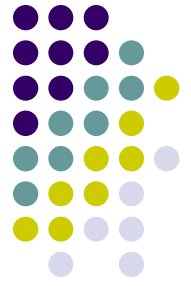
<b>District</b>	<b>Parcels</b>
Collin	12,192
Dallas	377,700
Denton	2,523
Rockwall	12
<b>Total</b>	<b>392,427</b>



# Preliminary Values

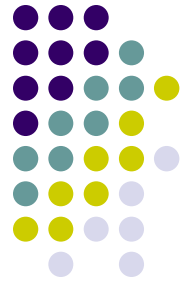
- Preliminary property values received from all 4 districts total \$96.155 billion
  - 13.8% increase over FY07-08 certified values
  - 5% increase over preliminary FY07-08 values (received in May 2007)
- Values will decline as appeals process continues
- Based on historical decline in value, FY08-09 certified values are forecasted to increase 6.5% over the FY07-08 certified values
- May 7<sup>th</sup> briefing included 5% forecast growth in property values
- Increase in forecast growth rate to 6.5% will increase property tax revenue forecast by \$9.2 million

# Public Disclosure of Property Sales Prices



- Currently, real property sales prices are not publicly recorded
- Difficult for appraisal districts to fairly and accurately determine the market value of many properties
- Texas is one of only five states within the nation that does not require mandatory sales price disclosure
- City of Dallas efforts in the 2007 legislative session to promote disclosure of sale prices were unsuccessful

# Public Disclosure of Property Sales Prices



- Accurate and appropriate appraisals facilitate the transfer of property into the hands of individuals/entities with the intent to develop
- Public disclosure could result in a more equitable process by preventing properties from being over or under appraised
- Sales price disclosure will more properly distribute tax burden
- The City of Dallas will continue to promote state initiatives that require sale prices disclosure as the mechanism is needed to provide fairness across the board



# Questions