

City of Sealy, Texas

Property Tax Information for Current Fiscal Year

Tax Rate Distribution

The 2019 property tax rate is comprised of the following components:

Maintenance & Operations (M&O)	\$ 0.19310
Interest & Sinking (I&S) Fund	\$ 0.20497
TOTAL TAX RATE	\$ 0.39807

The M&O component funds operations of the City's general fund, while the I&S component funds annual debt service payments on the City's outstanding certificates of obligation and general obligation bonds. This debt is backed by the City's property tax base.

Article XI, Section 5 of the Texas Constitution provides for an overall property tax rate limitation for home rule cities (i.e., cities of more than 5,000 population with a charter), such as the City of Sealy, of \$2.50 per \$100 assessed property valuation. In Texas Administrative Code, Title 1, Part 3, Chapter 53, Subchapter A, Rule 53.5, the Attorney General of Texas provides a further limitation on the tax rate to the extent that all of a home rule city's property tax debt can be serviced by a rate not to exceed \$1.50 per \$100 assessed property valuation at a 90% collection rate, unless city charter provides less. Since the City of Sealy's charter does not provide further limitations, its maximum allowable debt rate is \$1.50.

Property Subject to Taxation by the City

Except for certain exemptions provided by Texas law, all the property in the City, real or personal, is subject to taxation by the City. Principal categories of exempt property include:

- Property owned by the State of Texas or its political subdivisions if the property is used for public purposes;
- Property exempt from ad valorem taxation by federal law;
- Certain household goods, family supplies, and personal effects;
- Farm products owned by producers;
- Certain property associated with charitable organizations, use and development associations, religious organizations, and qualified schools;
- Designated historic sites;
- Solar and wind powered energy devices;
- Most individually owned automobiles;
- Disabled veterans only to the extent of \$5,000 to \$12,000 of taxable valuation, depending on the level of disability;
- Residential homesteads of disabled veterans to the extent of 100% of assessed valuation for those declared 100% disabled or unemployable; and
- Residential homesteads of persons over 65 years, to the extent the governing body of the political subdivision granting an exemption deems it advisable to exempt such homestead.

The City presently exempts from taxation up to \$10,000 assessed valuation on residential homesteads to persons over 65 years of age or disabled.

An eligible owner of agricultural and timberland may apply to have such properties which meet certain requirements appraised on the basis of productivity value or market value, whichever is less. However, eligible timberland may not be appraised at a value lower than was assigned on the 1978 tax rolls.

The City has the authority to enter into tax abatement agreements to encourage economic development. Under such agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. Such abatement agreement may last for a period of up to 10 years.

The Property Code also provides for an exemption from ad valorem taxation for certain pollution control property.

Voters of the State of Texas have approved a state constitutional amendment which permits local governments the option of granting homestead exemptions of up to 20% of market value. The City currently does not grant an additional homestead exemption.

Article VIII, section 1-n of the Texas Constitution provides for the exemption from taxation of “goods-in-transit.” “Goods-in-transit” is defined by a provision of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property. On September 12, 2007, the City passed a resolution electing not to grant the “goods-in-transit” exemption.

Property Taxation Cycle

Properties are appraised as of January 1 each year, and this appraised value is used as the basis for the property tax levy. Property taxes are levied during October of each year and are due upon receipt of the City’s tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

Other Taxing Entities

Besides the City of Sealy, the other taxing jurisdictions included on the local tax bill are:

- Austin County (including Farm/Market Road and Special Road & Bridge Funds)
- Sealy Independent School District
- Austin County Emergency Services District #2