

Background – Pevato Bill 1979

- Core reasons for overhaul
 - Avoid School finance litigation
 - Inequity and poor performance in tax office
 - Restrict political influence in spending and frequency of reappraisals
 - Inefficient and expensive administration



Who Does What and Why

Appraisal District

- Special purpose district
- Discovers, lists, appraises property
- Administers exemptions
- Administers all property related data

Tax Assessor Collector

- Assists taxing units with notifications
- Calculate taxes for taxing units
- Prepare bills
- Collect and distribute funds to taxing units
- Oversee Delinquent Tax Collection
- **DOES NOT SET TAX RATE OR VALUATION!!!!**

Phase IV – Collections Phase (October 1 and ongoing)

- Current collections October 1 – January 31st
- Oversee Delinquent tax collection
- Taxes Delinquent Feb 1st
- Assessor cannot waive fees
- 20% penalty and lawsuit attaches by statute on July 1 – Penalties for past due taxes can be over 36%!
- Delinquent taxes can result in foreclosure by financing institution – (this is why they require escrow in most cases)

When Delinquencies Occur:

- Over 65 Deferrals: Have the largest impact on budgets due to uncertain time horizons for collections - can be 0 to 20 years or more
- Places increased duress on taxpayers who already are experiencing economic challenges due to amount of penalty and interest that are charged
- Some tax payers get into a delinquency “rut” that causes repeat delinquencies – Penalties and interest can climb to as much as 36% or more, keeping tax payers delinquent beyond the recovery period
- Foreclosure = lost revenue and potentially a shrunken tax base

Natural Disasters: Budget Issues to Consider

- Increases burden on taxing units including schools
- Demand for services continues while cash flow decreases
- Future values fluctuate drastically in as many as 3 appraisal cycles – Pre Disaster, Post Disaster with damages, (decrease in value) and Post Disaster with repairs (Major increase in value)



Questions and Comments

- Discussion