



UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

Meeting Date:
6/17/2025

Item Type:
Action Item

Subject: CONSIDER AND ACT: on approval of an ordinance setting the 2025/FY2026 Over-65 and Disabled Homeowner exemption at \$706,000.

Prepared By: Thomas W. Tvardzik, Director of Finance

Background:

Since 2008, the University Park City Council has set the current year Over-65 and Disabled Homeowner property tax exemption at 25% of the prior year average single-family home ("A11") market value. This practice is consistent with the City's Financial Management Policies.

The chart below displays the yearly changes in the value of an average A11 home, and the related exemption over a ten-year period:

| Tax Year | AVG SF Home value | Multiply by 25% | Exemption Amount (Rounded) | (For) Tax Year/Fiscal Year |
|-------------|--------------------|------------------|----------------------------|----------------------------|
| 2015 | \$1,350,219 | \$337,555 | \$338,000 | 2016/FY2017 |
| 2016 | \$1,489,862 | \$372,466 | \$372,000 | 2017/FY2018 |
| 2017 | \$1,549,797 | \$387,449 | \$387,000 | 2018/FY2019 |
| 2018 | \$1,630,666 | \$407,666 | \$408,000 | 2019/FY2020 |
| 2019 | \$1,668,650 | \$417,162 | \$417,000 | 2020/FY2021 |
| 2020 | \$1,699,817 | \$424,954 | \$425,000 | 2021/FY2022 |
| 2021 | \$1,738,077 | \$434,519 | \$435,000 | 2022/FY2023 |
| 2022 | \$2,009,827 | \$502,457 | \$502,000 | 2023/FY2024 |
| 2023 | \$2,466,129 | \$616,282 | \$616,000 | 2024/FY2025 |
| 2024 | \$2,824,122 | \$706,031 | \$706,000 | 2025/FY2026 |

The market value of the average A11 home in University Park increased to \$2,824,122 in calendar 2024 from \$2,466,129 in calendar 2023, an increase of 14.5%. Multiplying the 2024 market value by 25% yields \$706,000 rounded to the nearest whole thousand.

Fiscal Impact:

- ☒ Not Applicable
- ☐ Budget Amendment Required
- ☐ Proposed Revenue
- ☐ Proposed Expenditure

Funding Source: This exemption neither increases, nor decreases revenue. It will however, slightly increase the overall ad valorem tax rate.

Master Plan Goal:

Please check the associated Theme and provide the corresponding action item number.



| | Theme | Action Item(s) |
|-------------------------------------|---------------------------|----------------|
| <input type="checkbox"/> | Affirming Sense of Place | |
| <input type="checkbox"/> | Assuring Connectivity | |
| <input type="checkbox"/> | Innovative Governance | |
| <input type="checkbox"/> | Technological Integration | |
| <input type="checkbox"/> | Preparing for the Future | |
| <input checked="" type="checkbox"/> | Not Applicable | |

Recommendation:

Consistent with the City's financial policies and past practices, City staff recommends the exemption amount be increased from the current \$616,000 to \$706,000.

If approved by the City Council, City staff will communicate the change to the Dallas Central Appraisal District for inclusion in the computation of the 2025 Certified Tax Roll.

Committee Review (optional):

The Finance Advisory Committee reviewed the exemption calculation during their meeting of June 12, 2025. At that meeting, they reviewed the calculation and voted in favor of the exemption increase.

Attachments:

Ordinance establishing the Over-65 and Disabled Homeowner homestead exemption for Tax Year 2025 (FY2026).