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DATE: APRIL 6, 2010
TO: TAXING ENTITY
FROM: LYNDA GUNSTREAM
RE: TAX YEAR 2010 EXEMPTIONS

The time is upon us again to start preparing for a new tax year. As you know our first step will be for the governing body to vote on the residence homestead exemptions they wish to adopt for the tax year 2010. Listed below are the optional exemptions:

	TYPE OF EXEMPTION	PROPERTY TAX CODE	DEADLINE
1.	Local Option Percentage Homestead	Sec. 11.13(n)	July 1
2.	65 or Older Exemption	Sec. 11.13(d)(e)	N/A
3.	Disabled Exemption	Sec. 11.13(d)(e)	N/A

Incorporated in this email you should have:

- (1) an exemption approval form to be completed and signed upon approval by your governing body. (separate attachment)
- (2) a copy of the tax code in reference to the three exemptions shown above (attached with this letter).
- (3) an exemption chart of last year's approved exemptions for all taxing jurisdictions (attached with this letter).

~~Once approved, please return the signed approval form reflecting the action taken.~~

If you have any questions I would be happy to be of assistance.

Respectfully,

Lynda Gunstream
Orange County Tax Assessor-Collector

**WEST ORANGE - COVE
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

*Approval of Local Option Residence Homestead Exemptions for the
Tax Year 2010*

1. Percentage Exemption

Reference: State Property Tax Code Section 11.13(n).

Requires adoption before July 1

The percentage adopted by the taxing unit may not exceed 20% and not less than \$5,000 of the appraised value.

_____ Yes, Percentage Amount Approved in the amount of _____ % .

_____ No Exemption Approved

Reference: State Property Tax Code Section 11.13 (d) (e)

An individual who is disabled or is 65 or older is entitled to an exemption of a portion of residence homestead ***if adopted by the governing body of the taxing unit.***
(An eligible disabled person who is 65 or older may not receive both exemptions)

2. \$ _____ - Portion of Value Approved for 65 or Older Exemption

3. \$ _____ - Portion of Value Approved for Disabled Exemption

Board of Trustees Approval Date _____

President,
Board Of Trustees

ATTEST:

Secretary,
Board Of Trustees

T E X A S
PROPERTY TAX CODE

Sec. 11.13 Residence Homestead

- (a) A family or single adult is entitled to an exemption from taxation for the county purposes authorized in Article VIII, Section 1-a, of the Texas Constitution of \$3,000 of the assessed value of his residence homestead.
- (b) An adult is entitled to exemption from taxation by a school district of \$15,000 of the appraised value of the adult's residence homestead, except that \$10,000 of the exemption does not apply to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.
- (c) In addition to the exemption provided by Subsection (b) of this section, an adult who is disabled or is 65 or older is entitled to an exemption from taxation by a school district of \$10,000 of the appraised value of his residence homestead.
- (d) In addition to the exemptions provided by Subsections (b) and (c) of this section, an individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion (the amount of which is fixed as provided by Subsection (e) of this section) of the appraised value of his residence homestead if the exemption is adopted either:
- (1) by the governing body of the taxing unit; or
 - (2) by a favorable vote of a majority of the qualified votes of the taxing unit at an election called by the governing body of the taxing unit, and the governing body shall call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.
- (e) The amount of an exemption adopted as provided by Subsection (d) of this section is \$3,000 of the appraised value of the residence homestead unless a larger amount is specified by:
- (1) the governing body authorizing the exemption if the exemption is authorized as provided by Subdivision (1) of Subsection (d) of this section; or
 - (2) the petition for the election if the exemption is authorized as provided by Subdivision (2) of Subsection (d) of this section.
- (f) Once authorized, an exemption adopted as provided by Subsection (d) of this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by Subdivision (2) of Subsection (d) of this section. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.
- (g) If the residence homestead exemption provided by Subsection (d) of this section is adopted by a county that levies a tax for the county purposes authorized by Article VIII, Section 1-a, of the Texas Constitution, the residence homestead exemptions provided by Subsections (a) and (d) of this section may not be aggregated for the county tax purposes. An individual who is eligible for both exemptions is entitled to take only the exemption authorized as provided by Subsection (d) of this section for purposes of that county tax.
- (h) Joint, community or successive owners may not each receive the same exemption

provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption but may choose either. A person may not receive an exemption under this section for more than one residence homestead in the same year.

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), or (n) of this section and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

- (1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and
- (2) granting the exemption would impair the obligation of the contract creating the debt.

(j) For purposes of this section:

- (1) "Residence homestead" means a structure (including a mobile home) or a separately secured and occupied portion of a structure (together with the land, not to exceed 20 acres, and improvements used in the residential occupancy of the structure, if the structure and the land and improvements have identical ownership) that:
 - (A) is owned by one or more individuals, either directly or through a beneficial interest in a qualifying trust;
 - (B) is designed or adapted for human residence;
 - (C) is used as a residence; and
 - (D) is occupied as his principal residence by an owner or, for property owned through a beneficial interest in a qualifying trust, by a trustor of the trust who qualifies for the exemption.
- (2) "Trustor" means a person who transfers an interest in residential property to a qualifying trust, whether by deed or by will, or the person's spouse.
- (3) "Qualifying trust" means a trust:
 - (A) in which the agreement or will creating the trust provides that the trustor of the trust has the right to use and occupy as the trustor's principle residence residential property rent free and without charge except for taxes and other costs and expenses specified in the instrument:
 - (i) for life;
 - (ii) for the lesser of life or a term of years; or
 - (iii) until the date the trust is revoked or terminated by an instrument that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in which the property is located; and
 - (B) that acquires the property in an instrument of title that:
 - (i) describes the property with sufficient certainty to identify it and the interest acquired;

(ii) is recorded in the real property records of the county in which the property is located; and

(iii) is executed by the trustor or the personal representative of the trustor.

(k) A qualified residential structure does not lose its character as a residence homestead if a portion of the structure is rented to another or is used primarily for other purposes that are incompatible with the owner's residential use of the structure. However, the amount of any residence homestead exemption does not apply to the value of that portion of the structure that is used primarily for purposes that are incompatible with the owner's residential use.

(l) A qualified residential structure does not lose its character as a residence homestead when the owner who qualifies for the exemption temporarily stops occupying it as a principal residence if that owner does not establish a different principal residence and intends to return and occupy the structure as his principal residence.

(m) In this section:

- (1) "Disabled" means under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance.
- (2) "School district" means a political subdivision organized to provide general elementary and secondary public education. "School district" does not include a junior college district or a political subdivision organized to provide special education services.



(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent. If the percentage set by the voters produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the voters may not exceed 20 percent.

(o) For purposes of this section, a residence homestead also may consist of an interest in real property created through ownership of stock in a corporation incorporated under the Cooperative Association Act (Article 1396-50.01, Vernon's Texas Civil Statutes) to provide dwelling places to its stockholders if:

- (1) the interests of the stockholders of the corporation are appraised separately as provided by Section 23.19 of this code in the tax year to which the exemption applies
- (2) ownership of the stock entitles the owner to occupy a dwelling place owned by the corporation;
- (3) the dwelling place is a structure or a separately secured and occupied portion of a structure; and

(4) the dwelling place is occupied as his principal residence by a stockholder who qualifies for the exemption.

(p) Exemption under this section for a homestead described by Subsection (o) of this section extends only to the dwelling place occupied as a residence homestead and to a portion of the total common area used in the residential occupancy that is equal to the percentage of the total amount of the stock issued by the corporation that is owned by the homestead claimant. The size of a residence homestead under Subsection (o) of this section, including any relevant portion of common area, may not exceed 20 acres.

(q) The surviving spouse of an individual who qualifies for an exemption under Subsection (d) for the residence homestead of a person 65 or older is entitled to an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased spouse qualified if:

- (1) the deceased spouse died in a year in which the deceased spouse qualified for the exemption;
- (2) the surviving spouse was 55 or older when the deceased spouse died; and
- (3) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

(r) An individual who receives an exemption under Subsection (d) is not entitled to an exemption under Subsection (q).

(s) Notwithstanding Subsection (n), an exemption under that subsection for the 1997 tax year adopted by the board of trustees of a school district before July 1, 1997, is valid. This subsection expires January 1, 1999.

Amended by 1981 Tex. Laws (1st C.S.), p. 127, ch. 13, Sec. 31; amended by 1983 Tex. Laws, p. 4822, ch. 851, Sec. 6; amended by 1985 Tex. Laws, p. 2452, ch. 301, Sec. 1; amended by 1987 Tex. Laws, ch. 547, Sec. 1; amended by 1991 Tex. Laws, p. 413, ch. 20, Sec. 19 and 19, and p 1481, ch. 391, Sec. 14; amended by SB 7, 73rd Leg., 1993 and by HB 2813, 73rd Leg., 1993; amended HB 1127, 74th Leg., 1995.; amended HB 4, 75th Leg; amended by SB 841, 75th Leg., 1997; amended by SB 1873, 75th Leg., 1997; amended by SB 435, 76th Leg., 1999; amended by HB 3549, 76th Leg., eff Jan 1, 1999.

Cross References

Notes

**ORANGE COUNTY
2009 RATE AND EXEMPTION CHART**

TAXING ENTITY		TAX RATE	Homestead PTC Sec 11.13(n)		Over 65 PTC Sec 11.13(d,e)		Disability PTC Sec 11.13(d,e)	
			2008	State Mandated	2008	State Mandated	2008	State Mandated
C O U N T Y	COUNTY		20%	0	25,000	0	25,000	0
	F/M		20%	3,000	25,000	0	25,000	0
	TOTAL COUNTY RATE							
	DRAIN		20%	0	22,000	0	22,000	0
	PORT		20%	0	25,000	0	25,000	0
C I T Y	BRIDGE CITY		20%	0	22,000	0	22,000	0
	ORANGE		20%	0	15,000	0	15,000	0
	PINE FOREST		20%	0	20,000	0	20,000	0
	PINEHURST		20%	0	10,000	0	10,000	0
	PORT ARTHUR		20%	0	25,000	0	25,000	0
	ROSE CITY		20%	0	5,000	0	5,000	0
	VIDOR		20%	0	15,000	0	15,000	0
	WEST ORANGE		20%	0	17,000	0	17,000	0
S P E C I A L D I S T	ESD #1		0	0	10,000	0	5,000	0
	ESD #2		0	0	15,000	0	15,000	0
	ESD #3 / Fire #3		0	0	10,000	0	10,000	0
	ESD #4 / Fire #4		0	0	5,000	0	5,000	0
	WCID #1		0	0	10,000	0	5,000	0
S C H O O L	BRIDGE CITY I.S.D.		10%	15,000	10,000	10,000	0	10,000
	LITTLE CYPRESS-MAURICEVILLE C.I.S.D.		15%	15,000	0	10,000	0	10,000
	ORANGEFIELD I.S.D.		20%	15,000	0	10,000	0	10,000
	VIDOR I.S.D.		15%	15,000	0	10,000	0	10,000
	WEST ORANGE-COVE C.I.S.D.		20%	15,000	0	10,000	0	10,000