



Finance Department

City of Houston Tax Year 2026 Property Tax Rate

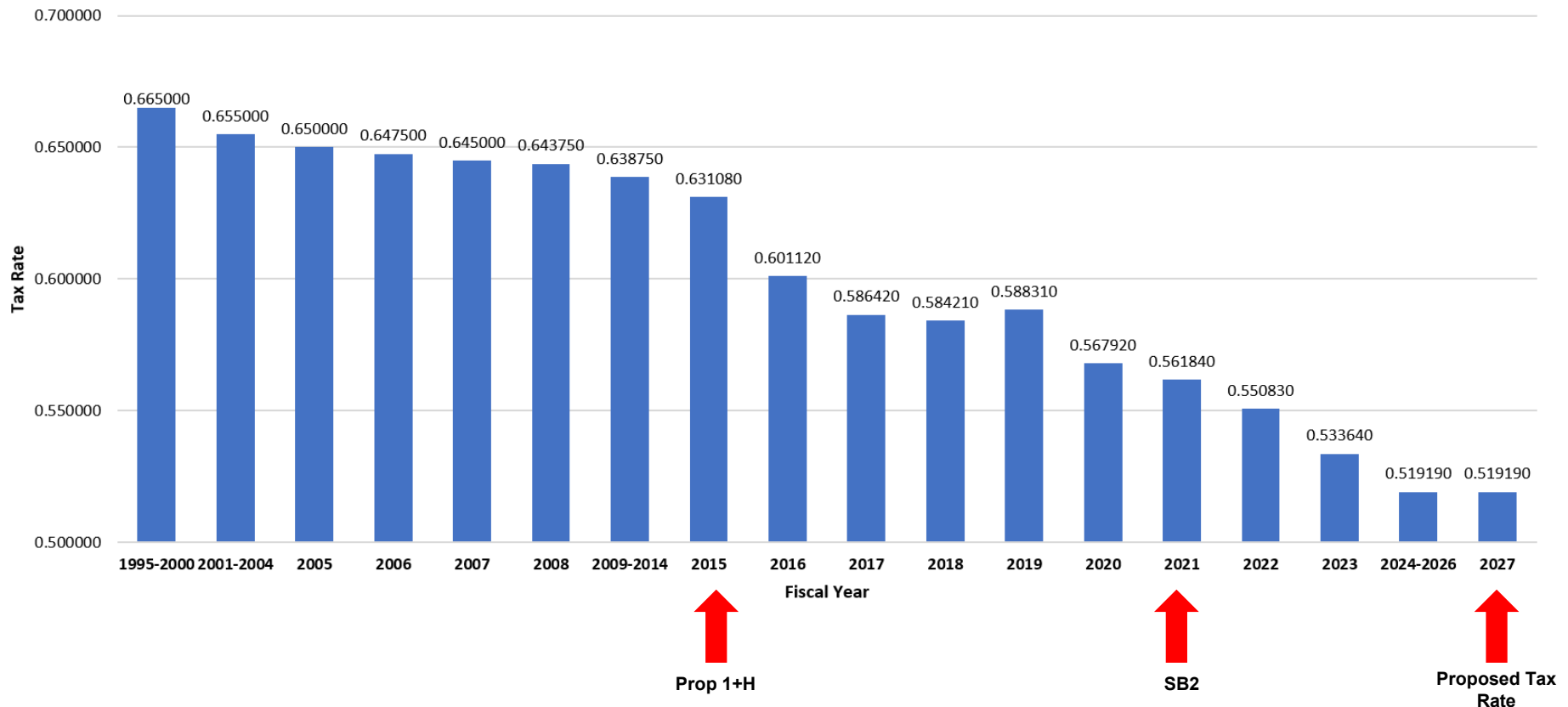
Presented By:

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Finance Department
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Historical Property Tax Rates

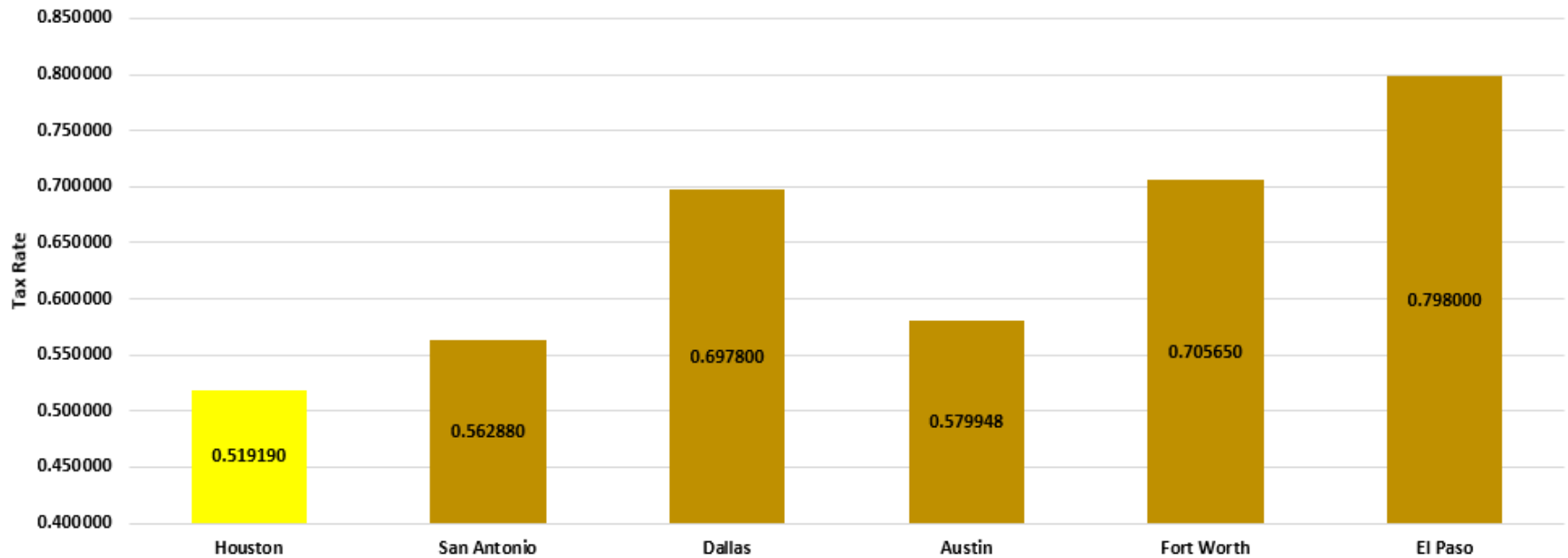
Houston was first affected by Prop 1 + H in fiscal year 2015 and by the SB2 cap in fiscal year 2021, leading to a year-over-year decrease in the property tax rate.





Property Tax Rate Comparison

Tax Year 2026 Rates





Historical Collection Rate, Hearing Loss, Value Growth

Tax Rate Assumptions

Collection Rate

97.2%

Previous 5 years

FY26 97.2%
FY25 97.6%
FY24 97.6%
FY23 98.3%
FY22 98.3%

Hearing Loss

\$5.8 billion

Previous 5 years

FY26 \$5.8 billion
FY25 \$4.7 billion
FY24 \$6.1 billion
FY23 \$4.2 billion
FY22 \$3.7 billion

Value Growth

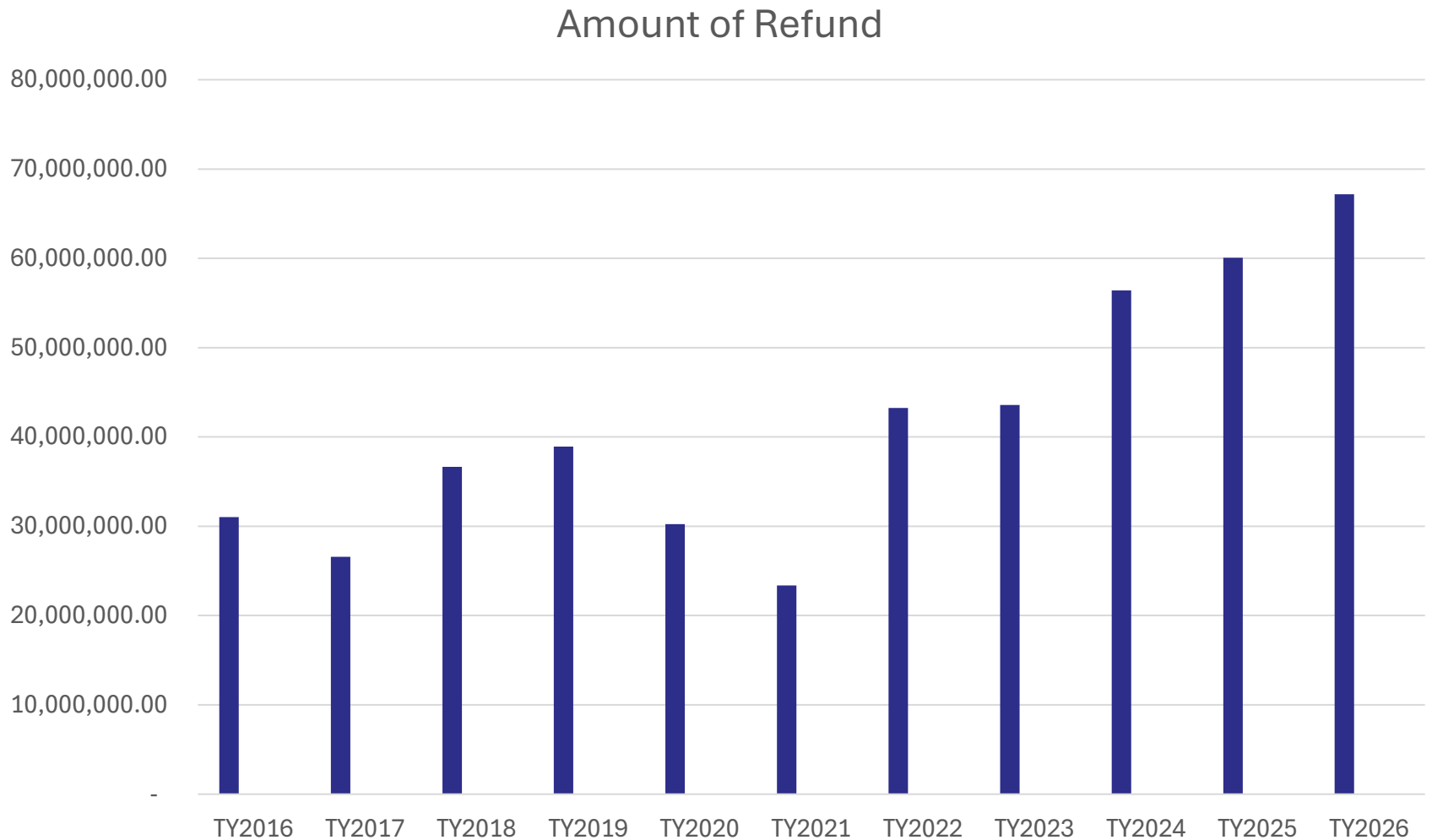
2.92%

Previous 5 years

FY26 2.16%
FY25 1.71%
FY24 10.70%
FY23 8.59%
FY22 1.79%



Historical Taxes Refunded





Tax Year 2026/Fiscal Year 2027 Proposed Tax Rates

	Taxable Value Growth 2.92%		
	Collection Rate 97.2%		
	Property Tax	Variance to	
	Tax Rate	Revenue	Budget
Tax Year 2026/Fiscal Year 2027		(\$ in thousands)	(\$ in thousands)
Proposed Rate	0.519190	1,439,921	(62,656)
Budget	0.541935	1,502,577	-
No-New-Revenue Tax Rate	0.541650	1,501,791	(786)
Prop 1 + H	0.550758	1,526,882	24,305
Voter-Approval Tax Rate	0.584593	1,620,085	117,508



Tax Year 2026/Fiscal Year 2027 Proposed Tax Rates

- We are not proposing to increase the tax rate.
- For context purposes only, a \$0.01 increase to the tax rate would mean:
 - Average homestead homeowner: \$2.91/month
 - Average Over 65: \$0.74/month
- Assumptions:
 - Average home value of \$349k
 - Over 65 exemption of \$260k



Tax Year 2026/Fiscal Year 2027 Proposed Tax Rates

August Finance MOFR projection vs. Revised projection with Proposed Tax Rate (\$ in thousands)

Category	August Finance Projection	August Finance Projection with Proposed Tax Rates	Variance
Beginning Fund Balance	366,536	366,536	-
Property Tax	1,502,577	1,439,921	(62,656)
Sales Tax	942,203	942,203	-
Franchise Fees	148,202	148,202	-
Other Revenues	494,682	494,682	-
Other Sources	44,237	44,237	-
Total Revenue & Sources	3,131,900	3,069,245	(62,656)
Operating Expenditures	2,620,362	2,620,362	-
Debt Services	537,737	537,737	-
Total Expenditures	3,158,099	3,158,099	-
Changes to Designated Fund Balance	(806)	(806)	-
Change in Inventory/Prepaid Items/Impress Cash	-	-	-
Ending Fund balance	339,532	276,876	(62,656)
Fund Balance % Less Debt Service	12.96%	10.57%	-2.39%

Note: The FY2027 Adopted Budget Fund Balance less Debt Service was 10.45%