

## Property Detachment 2016

November 8	<p><b>Houston ISD</b> Held local elections asking voters to agree to give certain property tax revenues to the state. <i>TEC §41.096</i></p>
November 8	<p><b>TEA</b> Issued preliminary notice of property detachment to Houston ISD board of trustees and superintendent.</p> <ul style="list-style-type: none"> <li>• Commissioner is required to detach property if election fails.</li> <li>• Portion of taxable value to be detached estimated at \$18,248,312,720.</li> </ul> <p><i>TEC Chapter 41, 19 TAC Chapter 62</i></p>
November 9	<p><b>TEA</b> Requested tax property data from Harris County Appraisal District.</p> <ul style="list-style-type: none"> <li>• Appraisal district required to comply with request.</li> <li>• Requesting data for whole parcels or items of property for the 2015 tax year for Houston ISD.</li> </ul> <p><i>TEC §§41.201–213</i></p>
December 1	<p><b>Houston ISD</b> Notified TEA that November 8 election results were certified; election failed.</p>
December 9	<p><b>Chief Appraiser, Harris County Appraisal District</b> Submitted property data to TEA.</p>
December 9– February 1	<p><b>TEA and Chief Appraiser, Harris County Appraisal District</b> Collaborated regarding details of property data.</p>
December 22	<p><b>TEA</b> Issued supplemental order and notice of detachment of property to Houston ISD board of trustees and superintendent.</p> <ul style="list-style-type: none"> <li>• Portion of taxable value to be detached estimated at \$17,373,019,036.</li> </ul> <p><i>TEC §§41.004, 41.208(a)</i></p>

## 2017

February 1	<p><b>TEA</b> Issues To the Administrator Addressed letter recognizing 50 percent of the value loss due to the local optional homestead exemption (LOHE) for the 2016–2017 school year for the purposes of calculating recapture amounts under TEC §41.</p>
February 7	<p><b>TEA</b> Recalculates the recapture amount owed by Houston ISD based upon the LOHE and updated student enrollment data provided by Houston ISD on February XX and audited 2015 district property values provided by the Texas Comptroller of Public Accounts on February 2. The recalculation reduces the recapture amount as follows:</p> <ul style="list-style-type: none"> <li>to \$165 million (original estimate)</li> <li>to \$110 million (\$55 million reduction based upon LOHE)</li> <li>to \$97 million (\$13 million reduction based upon updated student enrollment information)</li> <li>to <b>\$77.5 million</b> (\$19.5 million reduction based upon audited property values)</li> </ul> <p>If Houston ISD were to have a successful recapture election before June 1, 2017, it could achieve wealth equalization for the 2016–2017 school year by paying a recapture amount of only <b>\$77.5 million</b>.</p>

February XX	<p><b>TEA</b> Issues final supplemental order to Houston ISD board of trustees and superintendent, including a list of the specific properties to be detached.</p> <ul style="list-style-type: none"> <li>• Portion of taxable value to be detached is <b>\$8,024,723,987</b> (reduced from \$17,373,019,036 because of LOHE and updated student enrollment and property value information)</li> <li>• Property detached from Houston ISD will be annexed to Aldine ISD.</li> </ul> <p><i>TEC §§41.004, 41.202, 41.208(a)</i></p>
February XX– June 1	<p><b>Chief Appraiser, Harris County Appraisal District</b> Required by statute to send a written notice of the detachment to the owner of any property that will be taxable in a different school district as a result of the detachment. TEA will request that the chief appraiser send this notification as soon as possible.</p> <p><i>TEC §41.210(b)</i></p>
May 31	<p><b>TEA</b> Deadline for any delinquent recapture payments for Houston ISD for 2016–2017 school year. Last day TEA will accept canvassed election results from Houston ISD. TEA will not rescind its detachment order after this date. <i>TEA Manual for Districts Subject to Wealth Equalization, 2016–2017 School Year, page 14 (adopted by rule by the Texas Administrative Code [TAC])</i></p>
July 1	<p><b>Chief Appraiser, Harris County Appraisal District</b> Effective date of transfer of property from Houston ISD. <i>TEC §13.005</i></p>

In fiscal year 2017, Houston ISD was subject to recapture for the first time with an estimated payment of \$165 million. In the November 8, 2016 election, voters failed to authorize the district to remit recapture payments to the state. The TEC provides that, since the election failed, the Commissioner of Education shall detach certain nonresidential properties from Houston ISD and annex those properties to another school district or districts. The estimated recapture payment amount has been reduced to **\$77.5 million** as described above. See [tea.texas.gov/state\\_funding/lohe/](http://tea.texas.gov/state_funding/lohe/) for more information about LOHE.

The estimated taxable value of the properties to be detached from Houston ISD is approximately **\$8 billion**, which is the amount by which Houston ISD is over the statutorily defined amount for the 2016–2017 school year. This amount was reduced from an original estimate of \$17,373,019,036 because of LOHE and updated student enrollment and property value information. According to the TEC, the commissioner must detach parcels of property. TEA will detach approximately 14 real properties and many hundreds of personal property accounts (having the same location as the real property) in accordance with TEC §41.202, TAC §62.1051, and related provisions.

The Commissioner of Education can rescind the supplemental order of detachment up until May 31, 2017, if TEA receives from Houston ISD (1) canvassed results of a successful election in accordance with 19 TAC §62.1071 and TEA *Manual for Districts Subject to Wealth Equalization, 2016–2017 School Year*, page 13, and (2) delinquent recapture amounts for school year 2016–2017 submitted to TEA in accordance with pages 13–15 of that manual.