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| **Determined by the Appraisal District** | |
| **Market Value** | What the property would sell for?   * The market value reflects what is indicated by the market – what are other properties selling for in the past year. * This value is set fresh each year as of January 1st. * There is no limit on the increase or decrease of market value. |
| **Assessed Value** | This is the *limited* value.   * Only properties with a homestead exemption are eligible for the assessed value limitation. * The first year you qualify for a homestead exemptions sets your base assessed value. * Each year the assessed value is a calculation of which is lower –   + Last years assessed value plus 10%, or   + Current market value |
| **Taxable Value** | This is the value you pay taxes on.   * This number is different for each taxing unit because each taxing unit gets to decide if they will grant exemptions and for how much. * Assessed value minus any exemptions is your taxable value for the taxing unit. |
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| **Determined by the Taxing Unit and Elected Officials** | |
| **Effective Rate** | This is the “***Reset***” button on tax rates.   * The starting point for all taxing unit tax rates. * The tax rate that would generate the same amount of tax levy as last year. * As appraised values go up, the effective rate goes down. * As appraised values go down, the effective rate goes up. |
| **Rollback Rate** | This is the maximum rate a taxing unit can adopt without taxpayers being able to petition for an election.   * Calculated as the effective rate plus 8%. * If taxpayers petition for an election this is what the rate will be reduced to. |
| **Adopted Rate** | This is the tax rate that is officially adopted by the taxing unit.   * Tax rate x taxable value = tax bill * Any rate adopted that is above the effective rate ***increases*** the taxpayer property tax burden. * Prior to adopting a tax rate, taxing units must publish an ad with the effective, rollback and proposed tax rates and must notify the taxpayers of public hearings to discuss/adopt their budget and adopt a tax rate. |