

# NEWS RELEASE

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## Residents encouraged to apply for 10% tax exemption *Exemption increased from 7.5% in 2017*

PROSPER (February 18, 2020) A 10 percent discount in the taxable value of residential properties is assured to those eligible Prosper homeowners who take advantage of the Town's homestead exemption, now entering its fifth year.

Prosper's homestead exemption is among the most generous in the North Texas area and applies to homes in both Collin and Denton Counties and will remain in effect until repealed by Council vote. Even so, residents who've not already applied for the exemption must actively request the exemption from their respective appraisal districts. Those who've already done so in previous years, need not reapply.

Homeowners who have not previously applied for a homestead exemption should fill out the necessary forms from their respecting appraisal district between Jan. 1 and April 30. The original exemption was passed in 2015 at 7.5 percent, subsequently increased to 10 percent in 2017.

The exemption, by state statute, is applicable only to homes that serve as the primary residence for the applicant, and only one exemption is applicable. The minimum reduction in value of residential properties is \$5,000. The exemption is not applicable to commercial concerns or income-producing properties.

While tax bills for Prosper residents include levies by several entities, the homestead exemption lowers the exposure for property taxes levied only by the Town of Prosper.

"Homeowner tax relief is a topic that remains a Council priority," says Mayor Ray Smith. "The effective management of the Town finances and conservative way that funds are allocated provide us the latitude to give homeowners this benefit. I know the Council is still very much in favor of keeping the exemption in place for the long term."

Prosper's 10 percent exemption is the second highest in Collin County. Of the 27 municipalities in Collin County, only eight offer a homestead exemption.

The tax rate of 52 cents per \$100 valuation, which has been unchanged in over a decade, divides property tax revenue into roughly 37 cents for the General Fund, used for maintenance and operation, and 15 cents for the Interest and Sinking Fund, used to pay debt service.

The typical home in Prosper is valued at \$543,030, and with the exemption in place, the tax exposure will decrease by \$54,303, saving the homeowner about \$282 in ad valorem taxes to the Town.

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**ABOUT THE TOWN OF PROSPER** – The Town of Prosper is a fast-growing suburb with small town charm, located 30 miles north of Dallas at the crossroads of U.S. 380, Preston Road and the Dallas North Tollway in Collin and Denton Counties. Prosper sits on 27 square miles and is home to more than 25,000 people. A home-rule municipality, governed by a council-manager form of government, the town has full-time fire and police departments, including its own dispatch service. As the Town grows to its projected build-out population of 70,000 residents, Prosper's vision is to remain a "Place Where Everyone Matters."