TAXING MATTERS



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CONSOLIDATED TAX COLLECTION Saves \$

s if writing one check for property taxes isn't bad enough, for most of you, it's two and sometimes three different tax collectors sending a bill. Island life certainly lives up to its relaxed reputation in this case as the County Tax Office collects for all Galveston Island governments. San Leon and Bacliff also only have one check to write.

Under Texas law, individual governmental bodies have the authority to determine who will assess (calculate) and collect their property taxes. Four private collection companies collect for 26 of 47 special purpose districts (drainage, municipal utility, water control improvement, management and navigation). Four of eight school districts collect their own with local school boards hiring the tax collector. Two of those also collect for a special purpose district (offsetting the ISD cost). The Galveston County Tax Office (GCTO) collects for 53% of the taxing entities in the County including two cities that extend into Harris County (Friendswood and League City).

The Property Tax Code dictates how much a county tax office may charge (an amount that "...may not exceed the actual costs incurred..."). Of no surprise to anyone, Texas' 254 counties have wildly different ideas on how to determine what that cost is with some charging 1% of the taxes billed. Ours is based on the question, "if we only assessed and collected taxes for Galveston County, what would our organization look like?" The personnel above that is what is needed to serve additional governments. That cost is applied to the total parcels collected for all.

GCTO currently charges \$0.21 per parcel for Galveston County and \$0.97 for Harris County properties. The rate, audited annually to insure it properly reflects the actual current costs, has dropped 53% since 2005 thanks to the addition of new collection partners and office efficiencies that resulted in lower operational expenses. The addition of new collection partners may result in a rate reduction for all as costs are applied to a larger number of properties. Important to note, a one-time fee of \$1/ parcel is charged for conversion of all receivables and five year history.

A candidate for US Congress stated once that government should not perform any task that a private business can do for less and I wholeheartedly agree. Counties have a huge advantage in this case because the Texas Constitution requires a tax assessor collector in each county that is funded by the county. This results in substantial savings for other governments as they do not even pay the cost of the postage (except for out of county partners).

Convenience for property owners is one benefit of consolidated tax collections. The other is the savings for local governments and thus taxpayers. You deserve bang for the buck when it comes to government - after all, it IS your money!

Compare my cost to assess and collect to what your governments are paying and ask yourself, "Am I getting bang for my buck?" *

Cost for GCTO To Assess & Collect

Friendswood ISD		2,738	South Shore MUD #7	\$	290
		60,839	GC MUD #31	\$	143
Santa Fe ISD \$		3,360	GC MUD #32	\$	150
Texas City ISD		6,247	West Ranch Mgmt. Dist.	\$	303
GC Cons. Dng Dist.		2,795	GC MUD #39	\$	326
MUD #6 (The Landing) \$		580	GC MUD #43	\$	224
MUD #14 5		342	GC MUD #45	\$	286
MUD #15		305	GC MUD #46	\$	317
Flamingo Isles MUD		5 104	GC MUD #56	\$	350
Bay Colony West MU	D §	292	WCID 8 Alta Loma	\$	461
*40,330 GC & 53,989 HC	<u>\$10</u>	0 or Le	ss to Collect		
GC Mgmt. Dist. #1	GC M	UD #52	GC MUD #55 GC	C MUD	#59
GC MUD #30	GC M	UD #53	GC MUD #57 GC	C MUD	#66
GC MUD #51	GC M	UD #54	GC MUD #58 GC	C MUD	#68