



Cheryl E. Johnson
Galveston County Tax Assessor/Collector
722 Moody
Galveston, Texas 77550
(409) 766-2284

Four Governments Opt Out of Split Payment Option

The August 1 deadline for Galveston County governments to opt out of the recently re-established split payment option by County Commissioners has passed and only four County Tax Office property tax collection customers have chosen not to participate - the City of Dickinson, Dickinson Independent School District, Galveston County MUD#12 (Bayou Vista) and Galveston College.

“As soon as the City of Dickinson opted out in July, the process of revising the consolidated tax statement began,” stated county tax assessor collector Cheryl E. Johnson. “We are converting to a legal size statement in hopes of making the different payment options clear for property owners. We are gearing up to launch a public education initiative that will hopefully reduce confusion caused by the changes to the statement.”

When Galveston County Commissioners eliminated the split payment option, there was a general outcry in the community – particularly by small businesses who had taken advantage of this option in earlier years. In order to provide this option once again, legislation was passed by former Senator Kyle Janek in 2007 which allowed governments who have their taxes collected by another entity (in this case the County) to opt out.

“Entities such as Texas City could experience serious cash flow problems if its top taxpayers availed themselves of this payment option,” stated Johnson, “so I was somewhat surprised by those that opted out. I can only assume the decision grew from a cash flow concern for them as well. Hopefully, when it becomes clear to everyone that revenue is not adversely affected, that they will opt back in so that their taxpayers will have the full benefit of this payment option.”

Split payment allows for one-half of the taxes to be paid by November 30th with the remaining half due by June 30th without penalty and interest accruing. Research of available data revealed that during the period 2000 through 2002, there was limited impact on individual government revenues with a high of 8.7% participation in Drainage District #2 and 3.1% by the County in 2002. Approximately 20% of all participants paid within the first three months of the next year with the balance making the final payment through the remainder of the period.

“I fully expect that more property owners will take advantage of this option this year due to the state of the economy. With cash flow an issue for many of our taxpayers, this option will buy them some time without the fear of heavy penalties, interest and attorney intervention,” stated Johnson. “At the end of the day, the split payment option is a very customer friendly way for our local governments to ease the pain for our citizens. I am deeply grateful to the County Commissioners for understanding the need and voting to reinstate this payment option.”