

## Item H-1

Consider an ordinance approving a residential homestead property tax exemption increase of 2% for a total exemption of 10%, as authorized and defined by Section 11.13(n) of the Texas Property Tax Code in the City of Keller, Tarrant County, Texas; providing a penalty; and authorizing publication.

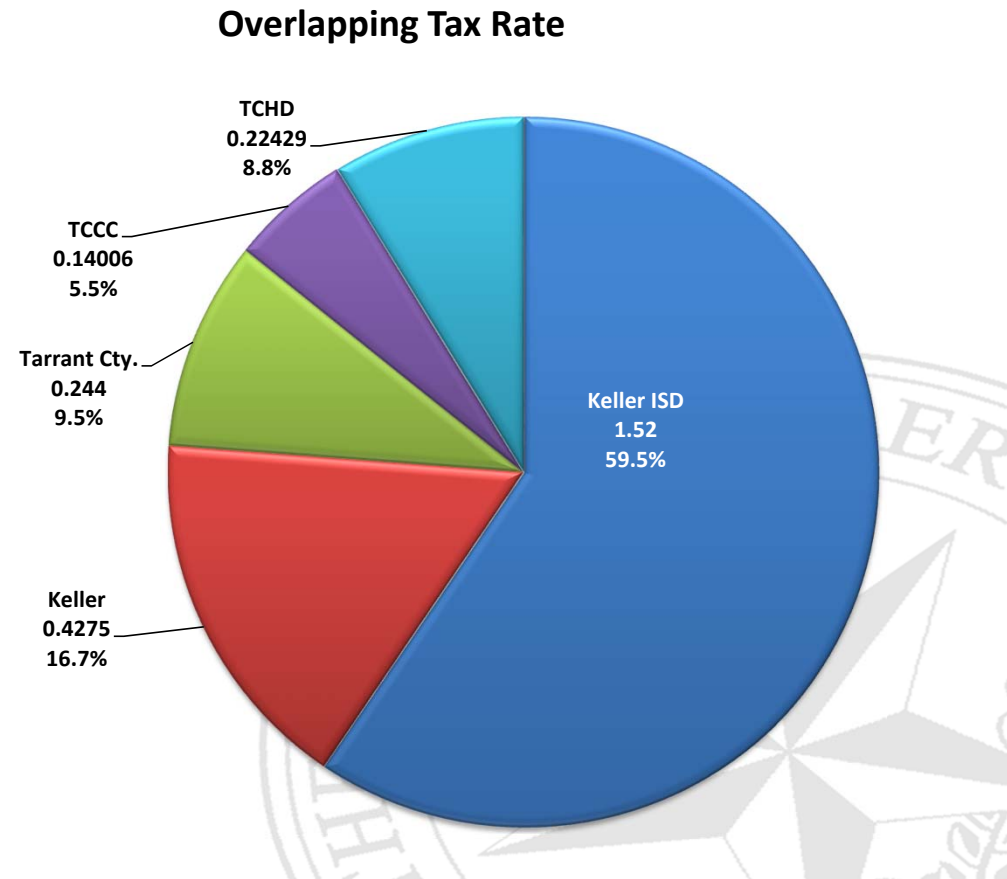
# Homestead Tax Relief Options

- Tax Rate Reduction
- Local Option Homestead = 8% ( 1% from 1986 to 2016; 4% in 2017)
- Local Option Over 65 = \$40,000
- Local Option Disabled = \$10,000
- *Over 65 / Disabled Ceiling = Yes*



# Overlapping Tax Rate / Average Homeowner Impact

Entity	Levy
Keller ISD	5,014
Keller	1,410
Tarrant County (TC)	805
Hospital District (TCHD)	740
Community College (TCCC)	462
<b>Total</b>	<b>\$ 8,430</b>



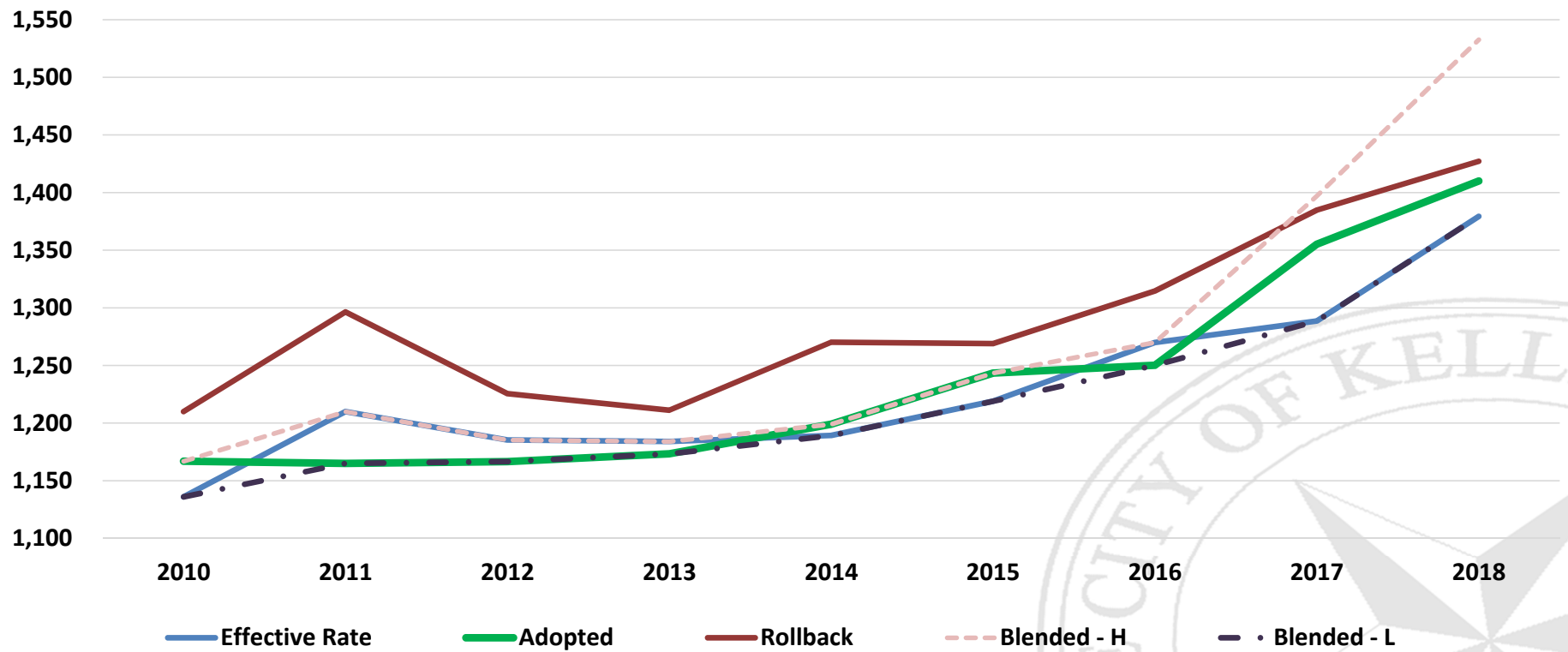
# Benchmark Cities

	Keller	Colleyville	Flower Mound	Southlake	Trophy Club	Westlake
Homestead %	8%	0%	0%	20%	0%	20%
Over 65	40,000	65,000	100,000	75,000	35,000	10,000
Disabled	10,000	65,000	100,000	75,000	0	10,000
O65/D Ceiling	Y	Y	N	Y	Y	Y
Avg. Home Value	\$ 329,840	\$ 500,792	\$ 378,946	\$ 539,339	\$ 418,676	\$ 1,465,338
Tax Rate	0.42750	0.333834	0.43900	0.46200	0.451442	0.13615
Avg. Levy	1,410	1,672	1,664	2,492	1,914	1,995

# Benchmark Cities

	Keller	Colleyville	Flower Mound	Southlake	Trophy Club	Westlake
<b>City</b>	<b>0.427500</b>	0.333834	0.439000	0.462000	0.451442	0.13615
<b>School</b>	<b>1.520000</b>	1.39670	1.40750	1.385000	1.49000	1.49000
<b>County</b>	<b>0.244000</b>	0.244000	0.237812	0.244000	0.237812	0.244000
<b>Hospital</b>	<b>0.22429</b>	0.22429	-	0.22429	-	0.22429
<b>Community College</b>	<b>0.14006</b>	0.14006	-	0.14006	-	0.14006
<b>Other</b>	-	-	-	-	0.120220	-
<b>Total Tax Rate</b>	<b>\$ 2.55585</b>	<b>\$ 2.338884</b>	<b>\$ 2.107409</b>	<b>\$ 2.45535</b>	<b>\$ 2.299474</b>	<b>\$ 2.22345</b>
<b>Avg. Home Value</b>	<b>\$ 329,840</b>	\$ 500,792	\$ 378,946	\$ 539,339	\$ 418,676	\$ 1,465,338
<b>Avg. Levy</b>	<b>\$ 8,430</b>	<b>\$ 11,713</b>	<b>\$ 7,898</b>	<b>\$ 13,243</b>	<b>\$ 9,627</b>	<b>\$ 32,743</b>

# Average Home Levy – FY 2009-10 thru FY 2017-18



# Homestead Exemption Proposal

	FY 2017-18	FY 2018-19 @ Current	+2% Exemption
Tax Rate	\$0.42750	\$0.42750	\$0.42750
Exemption	8%	8%	10%
Avg. Home Value	331,345	349,585	342,593
Avg. Home Tax Bill	1,416	1,494	1,473
Per Month	118.04	124.54	122.76

FY 2018-19 average home value (\$349,585) at:

@ FY 2013-14 rate of \$0.44219 - \$1,546 or \$128.82/month

@ FY 2014-15 rate of \$0.43719 - \$1,528 or \$127.36/month

@ FY 2015-16 rate of \$0.43469 - \$1,520 or \$126.63/month

@ FY 2016-17 rate of \$0.43000 - \$1,503 or \$124.54/month

# Tax Mitigation Options

Based upon FY 2017-18	Homestead Exemption	Tax Rate Decrease
Option	2%	\$0.75/100
Homeowner savings (annual)	\$30.00	\$26.31
Homeowner savings (monthly)	\$2.50	\$2.19
Properties Receive	Only homeowners	All properties
Levy Reduction	\$385,809	\$388,749

# **COUNCIL ACTION**

City Council has the following options:

- Approve As Presented
- Approve With Modifications
- Deny