

Item H-6

Consider an ordinance approving a residential homestead property tax exemption increase of 2% for a total exemption of 12%, 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 = 10%
- Local Option Over 65 = \$40,000
- Local Option Disabled = \$10,000
- *Over 65 / Disabled Ceiling = Yes*

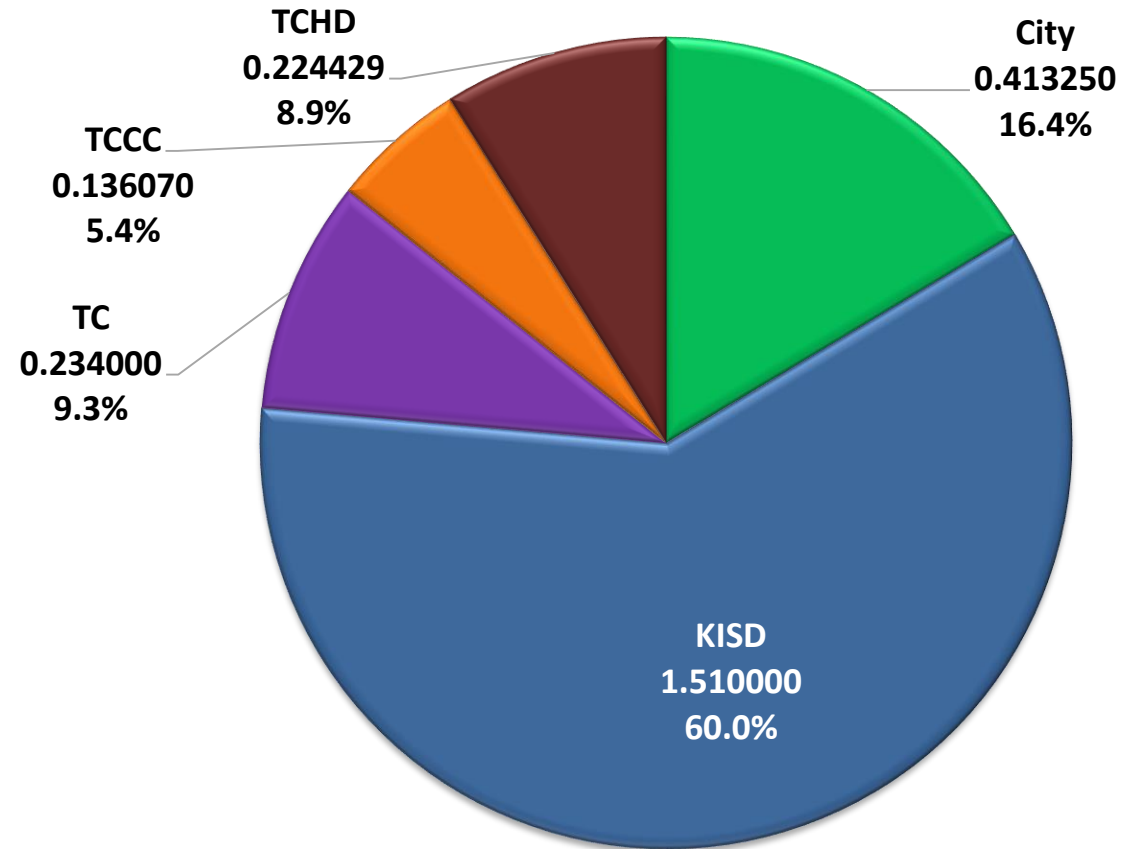


Tax Mitigation Timeline

- FY 2014-15 – Reduced Tax Rate by \$0.0050 from \$0.44219 to \$0.43719
- FY 2015-16 – Reduced Tax Rate by \$0.0025 from \$0.43719 to \$0.43469
- FY 2016-17 – Reduced Tax Rate by \$0.00469 from \$0.43469 to \$0.4300
 - Increased Homestead Exemption by 3% from 1% to 4%
- FY 2017-18 – Reduced Tax Rate by \$0.0025 from \$0.43000 to \$0.4275
 - Increased Homestead Exemption by 4% from 4% to 8%
- FY 2018-19 – Reduced Tax Rate by \$0.0143 from \$0.4275 to \$0.41325
 - Increased Homestead Exemption by 2% from 8% to 10%

Overlapping Tax Rate / Average Homeowner Impact

Entity	Levy
Keller ISD	5,230
Keller	1,431
Tarrant County (TC)	811
Hospital District (TCHD)	777
Community College (TCCC)	471
Total	\$ 8,721



Benchmark Cities

	Keller	Colleyville	Flower Mound	Southlake	Trophy Club	Westlake
Homestead %	10%	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	346,378	521,875	404,527	570,003	446,106	1,510,238
Tax Rate	0.41325	0.3208	0.43900	0.44700	0.446442	0.156
Avg. Levy	1,431	1,674	1,776	2,548	2,039	2,356

Homestead Exemption Proposal

	FY 2018-19	FY 2019-20 @ Current	+2% Exemption
Tax Rate	\$0.41325	\$0.41325	\$0.41325
Exemption	10%	10%	12%
Avg. Home Value	346,378	368,646	361,273
Avg. Home Tax Bill	1,431	1,523	1,493
Per Month	119.28	126.95	124.41

FY 2018-19 average home value (\$368,646) at:

@ FY 2013-14 rate of \$0.44219 - \$1,630 or \$135.84/month

@ FY 2014-15 rate of \$0.43719 - \$1,612 or \$134.31/month

@ FY 2015-16 rate of \$0.43469 - \$1,602 or \$133.54/month

@ FY 2016-17 rate of \$0.43000 - \$1,585 or \$132.10/month

@ FY 2017-18 rate of \$0.42750 - \$1,576 or \$131.33/month

Tax Mitigation Options

Based upon FY 2018-19	Homestead Exemption	Tax Rate Decrease
Option	2%	\$0.75/100
Homeowner savings (annual)	\$28.63	\$25.98
Homeowner savings (monthly)	\$2.39	\$2.17
Properties Receive	Only homestead	All property
Levy Reduction	\$372,949	\$381,246

Council Action

City Council has the following options:

- Approve As Presented
- Approve With Modifications
- Deny





City of **KELLER**

FINANCE DEPARTMENT

Questions?

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