



Legislation Details (With Text)

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Title: Consider an ordinance approving a residential homestead property tax exemption of 8%, 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.

Attachments: 1. Ordinance No. 1848

Table with 5 columns: Date, Ver., Action By, Action, Result. Row 1: 6/20/2017, 1, City Council

To: Mark R. Hafner, City Manager
From: Aaron Rector, Director of Finance

Subject: Consider an ordinance approving a residential homestead property tax exemption of 8%, 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.

Background: In 1986, the City of Keller approved a homestead exemption of 1% and in 2016, the homestead exemption was increased to 4%. The exemption reduces the taxable value of a residential property with a homestead exemption by the greater of 4% of taxable value or \$5,000. The proposed ordinance would increase the exemption by 4% for a total of 8%. The proposed exemption would reduce the preliminary FY 2017-18 (Tax Year 2017) taxable value from \$345,449 to \$331,631 or a taxable value reduction of \$13,818. If approved, the exemption would be included in the Fiscal Year 2017-18 (Tax Year 2017) taxable value calculations.

Budget Impact: Because the exemption will be applied to an upcoming budget year, staff will modify budget projections to accommodate the approved exemption.

Financial Considerations: Based upon early taxable value estimates, every 1% increase of exemption would reduce the potential levy by approximately \$185,600. Increasing the exemption by 4% would reduce the potential levy by \$742,400.

Citizen Input/Board Review: Not applicable

Legal Review:

Not applicable

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

Council Action:

Consider approval of a homestead exemption of 8%, which is an increase of 4% from the current exemption.